



Daily Report

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CONTENTS

5 November 1991

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

Kim Il-song Congratulates Sihanouk on Peace Treaty [XINHUA]	1
Government To Attend Upcoming APEC Meeting [XINHUA]	1
'Tussle' Over European Dominance Viewed [SHIJIE ZHISHI 1 Oct]	1
'Roundup' Cites World Opinion on New World Order [XINHUA]	4
XINHUA Details United Nations Activities	5
Delegate on Anti-Drug Efforts [XINHUA]	5
Envoy Urges Humanitarian Aid [XINHUA]	6
Envoy Urges End to Poverty [XINHUA]	6
Wang Zhongyu Leads Delegation to North America [Changchun Radio]	7

United States & Canada

Papers Examine Prospects of Upcoming Baker Visit	7
Human Rights Issue Viewed [Hong Kong SOUTH CHINA MORNING POST 5 Nov]	7
Visit Said 'Victory' for Reforms [Hong Kong SOUTH CHINA MORNING POST 5 Nov]	8
Visit Said To Come at 'Low Ebb' [Hong Kong TA KUNG PAO 5 Nov]	9
Vice Premier Zhu Rongji Meets U.S. Entrepreneur [XINHUA]	10
Wang Zhen Discusses Taiwan, Reform With Visitors [XINHUA]	10
Bank of Communications Opens Manhattan Branch [XINHUA]	10
Sun Weiben Returns From Visit to Alberta [Harbin Radio]	11

Soviet Union

Gorbachev Assesses Post-Coup Political Situation [XINHUA]	11
Warns of Approaching 'Abyss' [XINHUA]	12
Soviet Budget Deficit Reaches 240 Billion Rubles [XINHUA]	12
Moscow Unemployed To Reach 50,000 by July [XINHUA]	12
Meteorological Body Signs Agreement With USSR [XINHUA]	12
Symposium Works To Set Soviet Export Ties [Harbin Radio]	13
Daily Notes Xinjiang-USSR Trade Increase [AFP]	13
Soviet Institute Delegation To Visit Tianjin [Tianjin Radio]	13

Northeast Asia

Japanese Hokkaido Delegations Visit Heilongjiang [Harbin Radio]	13
Yokomichi Group Meets Li Ruihuan [XINHUA]	14
Wang Zhen Meets Japan's NHK Delegation [XINHUA]	14
Li Guixian Meets Japanese Banker, Delegation [XINHUA]	14
Wang Hanbin Meets Japanese Visitors 30 Oct [XINHUA]	14
Vice Premier Zhu Rongji Meets Japanese Visitors [XINHUA]	14
Further Coverage of Change in Japanese Government	15
Miyazawa Ponders Appointments [XINHUA]	15
Appointments Approved [XINHUA]	15
Kaifu, Cabinet Resign [XINHUA]	15
Miyazawa Profiled	16
New Shipping Service Links Qingdao to Incheon [Hong Kong WEN WEI PO 31 Oct]	16

Southeast Asia & Pacific

SRV's Do Muoi, Vo Van Kiet Begin Official Visit	17
Depart Hanoi [XINHUA]	17
Stop in Nanning [Nanning Radio]	17
Arrive in Beijing [XINHUA]	17
Meet Jiang Zemin, Li Peng [XINHUA]	17
Do Muoi Profiled [XINHUA]	17
'Roundup' Views Vo Van Kiet's ASEAN Tour [XINHUA]	18
Government Trade Delegation Leaves Manila 25 Oct [XINHUA]	19

Near East & South Asia

Spokesman Comments on Nuclear Assistance to Iran [XINHUA]	19
Iranian Spokesman Views Issue [XINHUA]	19

NATIONAL AFFAIRS

Political & Social

State Council Appoints, Removes Officials [XINHUA]	20
Jiang Inspects XINHUA NEWS AGENCY [XINHUA]	20
Li Peng on Importance of Developing Shenzhen [Hong Kong MING PAO 28 Oct]	21
Yang Shangkun Inspects Shaanxi 4 Nov [XINHUA]	22
Minister Addresses Public Security Conference [XINHUA]	23
Sichuan Executes 5 Drug Traffickers [AFP]	23
He Zhiqiang Addresses Rally To Combat Drugs [Kunming Radio]	23
Press Head Urges Illegal Publications Crackdown [CHINA DAILY 31 Oct]	24
Daily Relates Shandong's Antipornography Efforts [RENMIN RIBAO 21 Oct]	25
National Meeting on Spiritual Civilization Ends [XINHUA]	25
Jiang Zemin Inscribes Title of TV Film [XINHUA]	25
Li Peng Inscribes Flood Exhibit; Leaders Attend [XINHUA]	26
Jiang Zemin, Others Donate to Book Campaign [XINHUA]	26
State Education Commission on Top Books for Youth [XINHUA]	27
Meeting Commends Advanced Cultural Workers [XINHUA]	27
Jiang, Others Receive Delegates [XINHUA]	28
Li Tieying Addresses Art Festival Meeting [XINHUA]	28
Li Xiannian Inscribes Inkstone Exhibition [XINHUA]	29
NPC's Wan Li Inscribes Name of Bridge [XINHUA]	29
Relationship Between Employment, Education Viewed [GUANGMING RIBAO 29 Sep]	29
Article Views Housing Reform Progress [JINGJI CANKAO BAO 15 Oct]	30

Economic & Agricultural

Official on Import, Export Tariff Regulations [ZHONGGUO XINWEN SHE]	31
Foreign-Invested Enterprise Management Discussed [Hong Kong WEN WEI PO 26 Oct]	32
Imports, Exports Up in First Three Quarters [JINGJI RIBAO 18 Oct]	33
Guangzhou Fair Transactions Exceed \$6 Billion [CHINA DAILY 31 Oct]	33
Commentator Urges Better Securities Management [ZHONGGUO TONGXUN SHE]	34
Article Views Effort To Establish Futures Market [XINHUA]	34
Reform Commission Official on Economic Regulation [BEIJING REVIEW 7-13 Oct]	35
Leading Economist on Emerging 'Buyers' Market' [Hong Kong CHING CHI TAO PAO 21 Oct] ..	37
Government To Restrict Unpopular Goods Production [XINHUA]	37
Confidence in Price Stability Varies Regionally [ZHONGGUO TONGXUN SHE]	37
Household Responsibility Propels Urbanization [XINHUA]	38
Article on Shareholding Cooperative Enterprises [LIAOWANG 23 Sep]	39
Official on Rural Cooperative Organizations [NONGMIN RIBAO 16 Sep]	41
National Agricultural Planning Conference Ends [XINHUA]	42
Wang Zhen Lauds Guangxi Land Reclamation Work [XINHUA]	43
Activities of Vice Premier Tian Jiyun Reported	43
Sends Letter to Bamboo Meeting [RENMIN RIBAO 20 Oct]	43
Views Agricultural Exhibition [Wuhan Radio]	44

REGIONAL AFFAIRS

East Region

Chen Guangyi at Meeting on Agricultural Technology [Fuzhou Radio]	45
Chen Huanyou Helps Open Hotel Management Academy [XINHUA RIBAO 24 Oct]	45

North Region

Beijing Launches 'Severe Crackdowns' on Theft [CHINA DAILY 1 Nov]	45
Further on Crackdown [ZHONGGUO XINWEN SHE]	46
Wang Qun Urges Improvement in State Enterprises [Hohhot Radio]	46
Inner Mongolia Grain Conference Concludes 31 Oct [Hohhot Radio]	47
Fall Grain Purchases Set at Directors Meeting [Hohhot Radio]	47
Tan Shaowen Attends Meeting on Party Building [Tianjin Radio]	48
Communique Details Tianjin 1990 Census Data [TIANJIN RIBAO 14 Aug]	48
Early Marriages Affect Tianjin Population Control [XINHUA]	49

Northwest Region

Gansu Uses Foreign Aid To Build Reservoirs [XINHUA]	50
Bai Qingcai Inspects Tongchuan 29-31 Oct [Xian Radio]	50

TAIWAN

Agreement Reached on Joint Anti-Crime Efforts [CNA]	52
Chen Interviewed [CHUNG YANG JIH PAO 27 Oct]	52
'Greater China Common Market' Seen as Goal [CNA]	53
Premier Hao Views UN Issue, Mainland Policy [Taipei International]	54
Meets With DPP Lawmakers [CNA]	54
Independence Activist Lin Ming-che Deported [CNA]	54
Legislator Chastises U.S. [CNA]	55
Revised Investment Rules To Boost GATT Bid [CNA]	55
S&T Cooperation Accord Signed With Soviets [CNA]	55
Ministry Planning To Offer Assistance to Soviets [CNA]	56
Further Details on Upcoming De Klerk Visit Noted [Taipei International]	56

HONG KONG & MACAO

Hong Kong

'Collision' Feared Over Appeal Court Controversy [THE STANDARD 1 Nov]	57
Beijing Rules Out Compromise [THE STANDARD 5 Nov]	57
PRC Said 'Thwarting' New Air Agreements [SOUTH CHINA MORNING POST 2 Nov]	58
Aeroflot To Begin Service 'Early Next Year' [THE STANDARD 4 Nov]	58
Successes in Anti-Narcotics Effort Reported [XINHUA]	59
Trade Council Head Urges Market Liberalization [XINHUA]	59
Envoy Views Hong Kong Role in PRC Economy [THE STANDARD 1 Nov]	60

Macao

Austerity Measures To Counter Budget Deficit [THE STANDARD 4 Nov]	60
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General

Kim Il-song Congratulates Sihanouk on Peace Treaty

OW2610044091 Beijing XINHUA in English
0242 GMT 26 Oct 91

[Text] Pyongyang, October 26 (XINHUA)—President Kim Il-song of the Democratic People's Republic of Korea has congratulated Samdech Norodom Sihanouk, president of the Supreme National Council of Cambodia (SNC), on the signing of four Cambodian peace accords, KCNA reported Friday.

In a telegram dated October 24, Kim extended his congratulations, saying the agreements had brought bright prospects for peace and national reconciliation in Cambodia.

The peace treaty, signed by representatives from 19 nations and members of the SNC at the October 23 reconvened Paris Conference, formally ended 13 years of civil war in Cambodia.

Kim Il-song said he believed that under the leadership of the SNC, the various factions in Cambodia would unite to fulfill the agreements and build up a unified nation promoting independence, peace, nonalignment and neutrality.

He also reiterated the traditional friendly relations and cooperation between his people and those of Cambodia.

Government To Attend Upcoming APEC Meeting

OW0411140791 Beijing XINHUA in English
1352 GMT 4 Nov 91

[Text] Beijing, November 4 (XINHUA)—China will join the Asia Pacific Economic Cooperation (APEC) at the third APEC ministerial meeting to be held at Seoul between November 12 and 14, according to official sources today.

Under the principles of "one China" and "distinctions be made between the sovereign states and regional economies", Chinese Taipei and Hong Kong will join APEC at the same ministerial meeting.

The APEC, a forum for the Asia Pacific Economic Cooperation, has 12 member of Australia, Brunei, Canada, Indonesia, Japan, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand and the United States.

Following the Seoul meeting, its members will increase to 15.

The first APEC ministerial meeting was held in Canberra, Australia, in 1989 and the second one in Singapore in July, 1990.

The purpose of the APEC meeting is to promote free trade and Asia Pacific cooperation in the fields of economy, trade, investment and technology.

The fourth and fifth APEC meetings will be held respectively in Thailand and the United States, according to the meeting in Singapore.

'Tussle' Over European Dominance Viewed

HK2610022591 Beijing SHIJIE ZHISHI in Chinese
No 19, 1 Oct 91 pp 2-3

[By Ji Yin (1323 1377): "Impact of Tremendous Changes in Soviet Union on Europe"]

[Text] The changes in the Soviet Union have caused more turbulence in Europe. The United States has lost ground as a force to counterbalance the Soviet Union. Western Europe has a new opportunity to cast off U.S. dominance. The focus of the contradiction between the United States and Europe has now shifted to a contention for the leading role in European affairs. The situation is favorable to the EC in the tussle between it and U.S.-dominated NATO.

In the past, the influence of the Soviet Union as a superpower extended to every corner of the world. In particular, because of geopolitical factors, the Soviet Union had a strong, direct influence on Europe. Today, the Soviet Union as a superpower in the original sense no longer exists. However, since it was once a superpower, the impact of its decline, which has an overall significance, will reach many levels and many fields. Regionally speaking, the tremendous changes in the Soviet Union have had the greatest impact on Europe.

Becoming a New Hot Spot

In the wake of the transition in Europe where a new structure is replacing the old one, uncertainty has increased drastically, the greatest of which must be future developments in the Soviet Union. After the disintegration of the Yalta structure, different forces are splitting and reorganizing, Eastern Europe is facing turbulence, and Yugoslavia is suffering from upheaval. All these developments show a picture full of turmoil to the world. The latest changes in the Soviet Union are yet another shock to the situation in Europe, making it still more turbulent and unpredictable.

As turbulence in a country is usually a syndrome which mixes domestic political, economic, and ethnic crises with religious and territorial disputes, it always shows a unique continuity, complexity, and a great latent danger. In Europe, turbulence in a country can very easily spread to other countries and cause a chain reaction resulting in greater turbulence throughout Europe. We can say that the changes in the Soviet Union have pushed Europe further into great turbulence, change, and reorganization. Such a situation will last for quite a long period and will remain the main characteristic and basic feature of the transition of Europe from the old structure to the new one.

From a global point of view, over a long period of time sustained turbulence outside Europe has been particularly reflected in large numbers of regional hot spots and

unremitting regional wars, either in the form of proxy wars between different countries respectively supported by the two superpowers or armed clashes between different factions within a country respectively supported by the two superpowers. However, overwhelmingly dominated by the confrontation between East and West, Europe has enjoyed relatively sustained stability, free of hot war but enduring the Cold War for more than 40 years. In a certain sense, Europe was an "oasis" of stability amid the stormy world of that time. The situation seems to have reversed today. **Conflicts in hot spots outside Europe have been resolved, have subsided, or are approaching political settlement, while Europe is becoming the most unstable region in the world.** Historical issues in Europe, such as conflicts between different nations, territorial disputes, and religious and cultural problems, which were concealed in the past by the reign of the bipolar structure, the East-West confrontation, and the ideological conflict, are now being drastically intensified, and they may burst out all of a sudden causing conflict and turmoil. The upset in the balance of power and the reshaping of political borders in Europe will in turn give rise to new contradictions and disputes. All of these interwoven and interrelated factors for instability will turn Europe into a new hot spot.

Superseding East-West Relations

The fall of the Soviet Union as a unified superpower has not only brought about the end of the global balance of power, but has also tremendously upset the balance of power in Europe.

The global strategic balance between the United States and the Soviet Union and the East-West power balance based on the power balance in Europe has now been tilted toward the West in the wake of the drastic changes in Eastern Europe and the disintegration of the Warsaw Pact. This has resulted in a breakthrough in structural East-West relations formerly characterized by confrontation between the two blocs and the partition of Europe between the United States and the Soviet Union. Now, the changes in and decline of the Soviet Union has finally put an end to old East-West relations. **The development of the situation in Europe is no longer constrained by factors such as ideological conflict, confrontational military deployments, and the alliance structures that were exclusive to East-West relations in the past. The concepts of U.S.-Soviet relations, European-Soviet relations, and so on have completely superseded the concept of East-West relations. This is the most important and profound change in the European situation since World War II.**

Europe was once a key strategic point in U.S.-Soviet contention. The United States and the Soviet Union, the two superpowers, and the different blocs under their respective control, existed as opposites and mutual counterbalances. **The fall of the Soviet Union as a superpower has on the one hand highlighted the United States' position as the only superpower and, on the other, weakened its role as a counterbalance against the Soviet Union.** Rallying to counter the threat from the Soviet Union had been the strategic foundation of the Atlantic alliance and

the basis of the U.S. military and political presence in Europe for more than four decades. But now, the vanishing threat against the West because of the enormous changes in the Soviet Union has radically shaken the foundations of the Atlantic alliance.

Politically, the United States is facing a very knotty problem: How is the United States going to maintain its status as leader of the Western alliance, and how is the Western alliance going to survive? In the past, under military threat and political pressure from the Soviet Union, Western Europe had to count on the United States for military protection, especially its nuclear umbrella. Now that the Soviet threat no longer exists, and the strategic security of Western Europe has substantially improved, Western Europe's need for U.S. military protection has been remarkably reduced and the need for maintaining a strong U.S. military profile in Western Europe has been diminished accordingly. NATO was originally established as an opposite to the Warsaw Pact. [sentence as published] The reason why Western Europe continues to agree to maintain NATO despite the disbandment of the Warsaw Pact is mainly because they want to take precautions against the latent threat from the Soviet Union and contain Germany. The former is the overt purpose, while the latter is the covert intention. Now that the overt rival has vanished there are no grounds for the continued existence of the NATO.

The loss of the balance of power in Europe has offered Western Europe a new opportunity to cast off United States control and minimize the U.S. presence and influence in Europe. Euro-U.S. relations, which for many years were based on an alliance against the Soviet threat, are facing a fundamental readjustment. In the wake of the changes in the Soviet Union, the need for resistance against the Soviet Union, the most powerful cohesive force that cemented the Euro-U.S. alliance, has basically lost its validity. Instead of allying against the Soviet Union, they now join to aid the Soviet Union. Since the common threat has vanished, Western Europe's reliance upon the United States has diminished, the "doctrine of national interest" is being emphasized, more consideration is being given to self interest, more stress is being laid on independence and initiative in handling European and international affairs, and the contradiction between Europe and the United States will inevitably become more prominent. Because Western Europe's reliance upon the United States for security matters has diminished, Western European countries are showing the United States less respect when dealing with economic affairs. As a result, the trade war between the United States and Europe concerning agricultural products and some important industrial products has been escalated and, in particular, competition between the EC and the North American free trade zone is now prominent. **The most important fact is that the Euro-U.S. contradiction has been extended from economic conflict to a contention for dominance over European affairs. The United States wants to establish a new order in Europe under its dominance, while Western Europe wants to build a "European Europe" under its own control. This is the very crux of the Euro-U.S.**

contradiction under the new situation. Of course, the above discussion is only about the main trend. Behind this there is the other aspect of mutual economic dependence and political coordination between the United States and Europe. The development of the Euro-U.S. contradiction will be a gradual process.

A certain degree of balance of power between France and Germany used to serve as the basis of the balance of power within Western Europe. Now there are some new changes in the power balance within the West European countries, especially between France and Germany. Germany is the biggest beneficiary of the disintegration of the Yalta structure. The reunification of Germany has resulted in the loss of the balance of power within Western Europe. Germany, as the top economic power in Europe, has had its political and economic position strengthened in the EC and even in Europe as a whole, while France, which has seen a decline in its position as a European power, can hardly counterbalance Germany's economic superiority any longer with its political influence and its status as a member of the nuclear club. **On the other hand, in the wake of the decline of and changes in the Soviet Union, France, which used to pursue a policy of allying with the Soviet Union to contain Germany, has lost an important partner in this regard, whereas this development has offered the economically strong Germany an opportunity to expand its influence in the Soviet Union.** The balance of power within Western Europe, which has been further tilted toward Germany, will further intensify the contradiction between the idea of a "European Germany" and that of a "German Europe."

Complicated Struggle Under New Structure

The tremendous changes in Eastern Europe, the reunification of Germany, and the disintegration of a structure characterized by confrontation between two major blocs have all resulted in the dissolution of the bipolar structure in Europe. **The changes in the Soviet Union and the decline of this power as one pole in a bipolar structure have struck the final blow to the old structure and led to its complete breakdown.** The peaceful transition of Europe from the old structure to a new one is based on the major organizations already existing in Europe, namely, NATO, the CSCE, and the EC, and all the countries concerned will fight for a more favorable position within the new structure mainly through these three organizations. **The new structure will gradually take shape amid contention and competition between these forces.**

The key point of the struggle between the different forces is to decide who is going to dominate the new structure in Europe. Of the above-mentioned three organizations, for the time being NATO and the EC are the main rivals competing for dominant power. The United States wishes to maintain its presence in Europe and its domination over European affairs through NATO. Consequently, in the blueprint for a new Europe designed by the United States, NATO will play the key role while the EC and the CSCE will play only a secondary role and are not to compete with, still less replace NATO. On the other

hand, Western European countries have been trying very hard to ensure that the EC plays a key role in shaping the new structure and have maintained that a united Europe should be built with the EC as its core. After the Gulf war, NATO dominated the situation for a while as the United States position as the leader of the West was in the ascendant, while Western Europe's position was weakened in relation to the United States. **Recent developments in the Soviet Union have transformed the situation in a direction favorable to the EC.** For a long time, NATO has played a dual role in controlling Western Europe and countering the Soviet Union, but control over the allies was effective only when it was based on the anti-Soviet alliance. Now, the United States' strong rival no longer exists and the Soviet Union is no longer a threat to Western Europe. This being the case, not only can the United States hardly continue to control Western Europe and maintain its dominant role in Europe through NATO, but the need for NATO's continued existence is itself questionable. On the contrary, the EC seems to be playing a more and more important role. **The developments in the Soviet Union have clearly indicated that, for Europe, the first concern is not defense and security but serious economic problems mixed up with political crises.** The old dominant bipolar structure centering round military power has ended forever and the new structure can only be an economically oriented one. Whichever state or group of states is economically powerful and attractive will be able to play a greater part in forging the new structure, or will even play a possibly dominant role in shaping the new structure. In this regard, the EC, the largest economic and trade group in the world today and the most powerful economic magnet in Europe, is apparently in a more favorable position than NATO. And this implies that Western Europe is in a more favorable position than the United States.

After the tremendous changes in Eastern Europe, the EC has been actively implementing the idea of "three economic rings," namely, the EC serves as the core, with the European Free Trade Association [EFTA] as the second ring (some progress has been made on establishing a "European Economic Zone" formed by the EC and EFTA) and some Eastern European countries as the third ring (the process to admit Poland, Czechoslovakia, and Hungary as unofficial members has been speeded up). This is what is called the pan-European economic circle which will stretch from the Atlantic Ocean to the Bug River (along the Soviet-Polish border). The EC takes this "three ring" idea as the economic basis for the unification of Europe and hopes it will play a key role in making a new European structure. After recognizing the independence of the three Baltic states, the EC has three more candidates to consider for membership, all situated beyond the Bug River and, in the wake of the disintegration of the Soviet Union in its original sense, the EC is having its sphere of operation extended eastward. Now the question—where this pan-European economic ring, which stretches from the coast of the Atlantic Ocean, should move its eastern boundaries—has been put on the agenda.

In the final analysis, the making of the new structure will be a struggle for the redistribution of power and redivision of spheres of influence. The changes in the Soviet Union have made this struggling more complicated. While Western countries are all extending their influence into Eastern Europe, the three Baltic states have now become new targets for contention between the United States and Western Europe. As some of the former member republics of the Soviet Union which have claimed independence are also seeking new partners, the United States and Western Europe will find new frontiers for expansion. The contention between the United States and the major Western European countries for their sphere of influence in Europe is intensifying.

Europe is a region of key importance to the global power balance. Developments in Europe will certainly have a great influence on the world structure. For the moment, the European situation is far from stable and the Soviet Union is in a process of change. So far, it is hard to foresee the course of events.

'Roundup' Cites World Opinion on New World Order

OW2610195891 Beijing Central People's Radio Network in Mandarin 0530 GMT 25 Oct 91

[“News roundup” by station reporter Wang Ling: “The Establishment of a Just and Fair New International Order Accords With the Will of the People”; from the “International News and Current Events” program]

[Text] The world is now undergoing a period of transition from old to new. In the face of the complex and volatile international situation, the urgent need to change the old international order and to establish a just and fair new international order has become a common aspiration of the international community.

What is a just and fair new international order? Chinese Foreign Minister Qian Qichen completely and systematically outlined the Chinese Government's stand on it when he addressed the 46th General Assembly of the United Nations. He emphasized that the establishment of a new international order should be based on the Five Principles of Peaceful Coexistence.

China's stand has won the attention and support of many developing countries.

Iranian Foreign Minister Velayati said: The establishment of a new world order should be based on the UN Charter, equality, justice, and mutual respect of each other's sovereignty and territorial integrity, as well as on the principles of respecting the cultural and moral criteria of all nations.

Indonesian Foreign Minister Alatas pointed out: If we were to establish a practicable new world order, its structure and arrangement must be generally acceptable to all member countries. It should neither be decided only by individual countries nor the military and economic strength of certain nations' groupings.

Malaysian Prime Minister Mahathir called for a concerted global effort to establish a new world without hegemony, saying that such a better world must not only be firmly established on the basis of respecting the legal system and state sovereignty but also on the foundation of the social, economic, justice, and collective responsibility of all nations. An international order should never be established on the basis of hegemony and control.

The Venezuelan president emphasized that no countries—big or small, strong or weak—should have control over a just and stable new international order that we are going to establish. In other words, the present world is developing along a multipolar direction; it is basically impracticable for a superpower or several superpowers to dominate the new world order.

At the 10th ministerial meeting of the Nonaligned Movement [NAM] held last month, the NAM foreign ministers unanimously called on various member countries to participate actively in the establishment of a new international order. Indonesian Foreign Minister Alatas said: Now, it is more necessary than ever before that the NAM should, in both ideology and practice, play its role in establishing a new international order, in which justice, peace, security, and stability are assured; and in which people share common prosperity. Yugoslav Foreign Minister Loncar said: The nonaligned nations are a section to be reckoned with while establishing a new international order based on peace, democracy, freedom, equality, stability, and development. Nigerian External Affairs Minister Nwachukwu pointed out: The NAM should make efforts to turn itself into a gigantic force in establishing a new international order based on mutual respect, mutual independence, equal sovereignty, and common security. (Hainba) [no country mentioned] said: The present world is a diversified one with each and every country independently and freely selecting its own social, political, and economic systems and the road to development, in accordance with its own state conditions. It is obviously impracticable for any country, especially the superpowers, to try to forcibly impose upon other countries their own value, ideology, and development format.

In a statement last month, Ghanaian State Head Rawlings gave a direct rebuff to the idea initiated by President Bush for the establishment of a new world order based on American values. He said: This American idea is a reproduction of monopoly of the superpowers. Such a monopoly tends to pose a threat to other countries' independence. He indicated that we will not allow the superpowers to manipulate our destiny.

In a speech delivered at a human rights conference recently, Turkish President Ozal emphasized: In the first place, the human rights issue is a moral issue. Western countries should not exploit it for their external political interests. He said: Using human rights and freedom issues to interfere other nations' internal affairs will cause unexpected instability to the countries concerned, resulting in the people's misery.

Speaking at a news conference, Zimbabwean President Mugabe condemned certain Western countries for linking economic aids with the human rights issue. He pointed out: Such a linkage is inappropriate; it amounts to blackmail. Using a big stick to compel us to follow a certain road is not proper. These people should be told that blackmail is unacceptable.

In view of the increasingly wide gaps between the South and the North and between the rich and the poor, caused by the existing unfair and unequal international economic relations, leaders of many countries have strongly appealed for the establishment of a new international economic order and the improvement of the economic environments of the Third World.

In his work report presented to the UN General Assembly, UN Secretary General Perez de Cuellar pointed out: The opening of South-North dialogue is now more urgent than ever before. He maintained that poverty is an important source of world instability. The international community should apply the same urgency in tackling political crises to solve poverty issue.

Speaking at the UN General Assembly, Brazilian President Collor de Mello said that the world is facing three major challenges: economic development, peace, and respectable life for all. The ever-increasing widening of gaps between developed and developing countries has posed a real danger to international stability and security. He said: Many problems exist in the process of establishing a new world order. First, foreign debts have drained up the limited funds of developing countries. Second, technical transformation to the Third World countries have been restricted in an unjustifiable way. Third is the trade protectionism of the industrialized nations.

In his speech, Ghanaian Foreign Minister Asamoah emphasized: Under the existing international economic order, the Third World is still subject to exploitation. It is therefore necessary to change this unfair economic order.

Indian Foreign Minister Solanki also maintained that many developing countries are facing such problems as worsening trade conditions, inability in obtaining advanced technology, and decreasing development funds. He, therefore, appealed for improvement of international economic environment and urged for settlement of debt problems of the Third World.

All the preceding facts show that, in the present day, when the international situation is undergoing dramatic changes, the establishment of a just and fair new international order is not only in accordance with the will of the people but also a need of the times. It will certainly develop into a long-term, resolute, and complicated struggle and a course of history, the accomplishment of which requires the indomitable and common efforts of the various countries and the peoples all over the world.

XINHUA Details United Nations Activities

Delegate on Anti-Drug Efforts

OW0511030091 Beijing XINHUA in English
0021 GMT 5 Nov 91

[Text] United Nations, November 4 (XINHUA)—China today called on the international community to strengthen cooperation and adopt practical and effective measures to put an end to the worsening spread of drug.

Speaking at the Third Committee of the U.N. General Assembly, Chinese delegate Huan Yongan said drugs, which have become a hazard to the humanity, have even seriously disrupted the social stability and economic development.

The problem of drug and illicit trafficking worldwide remains extremely serious and has become a source of grave concern, he said.

Despite drug control measures, the illicit demand for cultivation, production of and trafficking in drugs are on the rise and the number of drug-related crimes and violence is increasing. Diseases caused by drug abuse, including AIDS, are threatening people's physical and mental health.

He stressed that combating drugs is the shared responsibility of the producing, consuming and transit countries while reducing the illicit demand for drugs is the key to success. In this connection, he said, it is incumbent on the major consuming countries to work out comprehensive and effective plans to ensure positive results of the campaign against drugs.

He told the committee that China, as a victim of imperialist and colonialist opium aggression, is soberly aware of the harm of drugs. The Chinese people have a glorious tradition of heroic struggle against drugs.

However, he said, since the 1980s, international drug trafficking has gradually infiltrated into China. International drug traffickers, colluding with malefactors in China and using certain border provinces of China as transit, are engaged in transboundary drug trafficking.

He told the committee that the Chinese Government has taken a series of resolute measures:

- A national commission on drug control was established in November 1990 to direct the drug control work nationwide.
- A decision on drug control was adopted by the Standing Committee of the National People's Congress in December 1990, which is of great significance in further cracking down on drug-related criminal activities, securing social stability and protecting people's health.
- All sectors of the society have been mobilized and organized to prohibit the abuse, cultivation of and trafficking in drugs through a comprehensive drug

control programme that combines combating, prevention, rehabilitation and education.

He said the Chinese Government also attaches great importance to and takes an active part in regional and international cooperation, such as the drug control cooperation in the "Golden Triangle" area which borders China, Myanmar (formerly Burma) and Thailand.

The Chinese delegate also called on countries and organizations with economic capabilities to increase their voluntary donations to contribute more to the worldwide campaign against drugs.

Envoy Urges Humanitarian Aid

OW0511034491 Beijing XINHUA in English
1805 GMT 4 Nov 91

[Text] United Nations, November 4 (XINHUA)—China said today that no preconditions should be attached to humanitarian assistance provided to countries affected by natural or man-made disasters.

Speaking at the U.N. General Assembly this morning, Jin Yongjian, China's deputy permanent representative to the United Nations, said it is extremely necessary that once people suffer, as a result of natural or man-made disasters on this planet of ours, severe losses of life and property, the international community provides timely emergency assistance to them.

"Nonetheless, we hope that such humanitarian assistance will not be affected in any way as a result of differences among states in political system, ideology, race or color," he declared.

Such assistance should also be provided in full respect for the sovereignty of the recipient states, or the humanitarian assistance will be deprived of its intrinsic meaning, the ambassador told the General Assembly meeting considering the strengthening of the coordination of humanitarian emergency assistance of the United Nations.

He pointed out that humanitarian emergency assistance is provided primarily to people in need of emergency relief due to natural disasters and to refugees or displaced persons as a result of disasters, natural or man-made, with a view to helping them tide over their difficulties in their daily life and rebuild their homeland.

Ambassador Jin praised the work of the Office of the U.N. Disaster Relief Coordinator.

Practice over the years has proved that the response to the disasters by the coordinator has been expeditious, his assistance to the stricken states in assessing their losses and needs for assistance timely and his coordination in assistance given by the international community and international organizations effective, he said.

He expressed the hope that the office would continue to play its role of coordination of emergency relief assistance entrusted to it by the General Assembly.

Jin proposed the establishment of an inter-agency coordinating mechanism for discussing ways of response to large-scale and complex emergencies, studying measures for providing assistance and consulting on coordination.

He also expressed China's agreement to the setting up of a "central emergency revolving fund" to ensure expeditious response by the United Nations to disasters.

Envoy Urges End to Poverty

OW0511042091 Beijing XINHUA in English
1954 GMT 4 Nov 91

[Text] United Nations, November 4 (XINHUA)—China today called on the world community to adopt practical and effective measures to eradicate poverty in developing countries.

Speaking at the Second Committee (Economic and Financial) of the U.N. General Assembly, Chinese Delegate Ma Zhaoxu pointed out that the problem of poverty has long plagued the international community, particularly the vast majority of the developing countries.

At present, 1,100 million people in the world are still living in poverty, of whom over 600 million are deemed extremely poor. They are not fed or clothed adequately, suffering from malnutrition and diseases and deprived of basic educational and health facilities.

"We are witnessing an increasingly polarized world," he said. "The problem is serious and has caused grave concern."

The root cause of poverty is underdevelopment, he added. The continuous deterioration of the international economic environment since the 80's has been mainly responsible for the failure of the development efforts. Heavy debt burden, mass outflow of capital, low price of primary products, worsening terms of trade as well as fast population growth, all these factors have seriously restrained the capital accumulation and increase of investment on the part of the developing countries, thus rendering most of them incapable of meeting the challenges posed by poverty.

Ma believed that eradicating poverty requires the shared responsibility of both developing and developed countries. The fundamental way of mitigating and eradicating poverty in developing countries is to revitalize and promote the economic growth and development of the developing countries, he said.

It is important that the poor countries themselves make efforts, he said. But, equally important are the effective measures taken by the developed countries in support of the developing countries' efforts to sustain continuous growth and gain strength in winning the battle against poverty. They should honor their commitment to execute their official development aid as stipulated in relevant U.N. resolutions and increase their assistance to various developing countries to reduce poverty, including the use of the

resources resulting from disarmament in support of the anti-poverty struggle in developing countries.

He also called for the improvement of international economic environment. The developed countries should create a sound external environment to help the developing countries reduce poverty, he said. At present, efforts should be focused in the areas of reducing debt burden, eliminating trade barriers and increasing the inflow of capital to the developing countries.

He expressed the hope that agencies and organs within the United Nations system will make it their top priority to help developing countries in poverty reduction. They should continue to provide additional resources and scientific and technological support to help reduce poverty, as well as assistance in helping developing countries to develop human resources.

Wang Zhongyu Leads Delegation to North America

SK2410132291 Changchun Jilin People's Radio
Network in Mandarin 2200 GMT 23 Oct 91

[Text] At the invitation of the governors of California, Maine, Michigan, and Connecticut of the United States and the governor of the State of Baja California Sur of Mexico, a seven-member Jilin Provincial delegation, led by Governor Wang Zhongyu, left Changchun for Beijing by train on the evening of 23 October to start its visits to the United States and Mexico.

Major tasks of the delegation's visits to the United States and Mexico are to discuss with California, Maine, Baja California Sur, and other states the establishment of friendly cooperative ties and the development of economic and trade cooperation and scientific, technological, and cultural exchanges; to study finely processed corn products to find a new way to process our own corn; to explore new strains of corn; and to learn about the world corn market and corn food. It will discuss with Mexico the feasibility of establishing textile and light industrial joint ventures by using the mountain and labor resources of Mexico and our equipment and technology. It will also discuss with large U.S. companies and enterprises, such as [words indistinct], matters concerning expansion of cooperation.

The delegation was seen off at the station by He Zhukang, secretary of the provincial party committee; Wu Yixia, Standing Committee member of the provincial party committee and provincial vice governor; Ren Junjie, Standing Committee member and secretary general of the provincial party committee; and other comrades.

United States & Canada

Papers Examine Prospects of Upcoming Baker Visit

Human Rights Issue Viewed

HK0511010091 Hong Kong SOUTH CHINA
MORNING POST in English 5 Nov 91 p 1

[By Willy Wo-lap Lam and Beijing Bureau Chief John Kohut]

[Text] China is poised to make significant concessions on human rights, including the release of student leader Wang Dan and possibly an amnesty for dissidents involved in the 1989 protests, during a visit by the American Secretary of State, Mr James Baker.

The trip between November 15 and 17 will mark the virtual restoration of Sino-U.S. ties to pre-June 1989 levels.

Besides human rights, Mr Baker will press the Chinese Government on arms proliferation and trade.

The trip, announced by U.S. President Mr George Bush in Madrid yesterday, has aroused intense criticism from the U.S. Congress and human rights watchdogs, which have accused the Bush administration of being too "soft" on China.

In a statement last night, the New York-based Asia Watch charged that Washington had succumbed to "blackmail" by Beijing and that the Chinese had ignored a secret American request in May for the release of more than 800 political prisoners.

Mr Baker said he was going to Beijing to discuss "real problems" with the Chinese leadership.

"China has almost one-fourth of all the people in the world," he said.

"It has nuclear weapons, great influence in the region—and it has immense economic potential.

"We have some real problems with China and we cannot expect to make headway with these problems unless we discuss them," he added.

"Ignoring them would not make the problems go away."

The Beijing visit will come at the end of an Asian tour that will take Mr Baker to Japan and South Korea, where he and Chinese Foreign Minister Mr Qian Qichen will take part in the Asian-Pacific Economic Cooperation conference.

Diplomats in Beijing and Washington said the "problems" Mr Baker would raise included indications that China was helping Iran build nuclear bombs and selling missiles to Pakistan, the growing U.S. trade deficit with the mainland and China's poor human rights record.

Of the three, Beijing is most likely to make concessions on human rights and release prisoners high on the list of international human rights bodies.

A Chinese source said: "It is very likely Beijing will promise to release former Beijing University student organiser Wang Dan, who was given a four-year sentence last January."

It might also consider commuting the sentences of "black hand" dissidents Wang Juntao and Chen Ziming, who were given 13-year jail terms earlier this year, the source said.

Another Chinese source said Mr Baker's visit could tip the balance in the debate within the leadership over whether to grant an amnesty to all dissidents involved in the democracy movement.

The source said National People's Congress (NPC) Chairman Mr Wan Li, a liberal leader, had recently proposed granting an amnesty for activists either imprisoned or wanted by police for their role in the "turmoil".

The suggestion is supported by moderate politicians including party General Secretary Mr Jiang Zemin, President Mr Yang Shangkun and politburo member Mr Li Ruihuan.

Those opposed include Vice-President Mr Wang Zhen, Vice-Premier Mr Yao Yilin and politburo member Mr Li Ximing.

A Hong Kong-based adviser to the Chinese Government, Chinese People's Political Consultative Conference (CPPCC) member Mr Xu Ximin, said it was likely the visit could tip the scales in favour of an amnesty.

"The Secretary of State's visit will have a positive influence on Beijing's treatment of dissidents, including the amnesty," said Mr Xu, one of the first to propose the dispensation.

"Aside from Wan Li, such prominent politicians as NPC Vice-Chairman Rong Yiren and CPPCC Vice-Chairman Fei Xiaotong are for the amnesty."

On arms control, analysts say Mr Baker will press the Chinese on an early accession to the Nuclear Nonproliferation Treaty and the Missile Technology Control Regime, which forbids the sale of missiles that have a range of more than 300 kilometres.

The Chinese Foreign Ministry has welcomed the Baker visit saying it would mark "an important event in Sino-U.S. relations".

It said the visit would be "conducive to the restoration of Sino-U.S. relations and the promotion of balance, peace and stability in the Asia-Pacific region and the world as a whole".

Chinese sources said Mr Baker would hold discussions with his host, Mr Qian, Mr Jiang and the Prime Minister, Mr Li Peng.

They said the Chinese would ask the Americans to lift the last remaining sanction: the transfer of hi-tech equipment and technology.

One Western diplomat said a central concern of the Chinese is Washington's annual renewal of Most Favoured Nation (MFN) trading status for China. While the Bush administration has succeeded in getting China's MFN status renewed, Congress is opposed.

Mr Bush's national security adviser, Mr Brent Scowcroft, has visited Beijing twice since the Tiananmen

Square massacre. Several senior state department officials have done likewise, and Mr Baker has met Mr Qian several times outside China.

Several West European countries and Japan, which also took sanctions against China, have since dispatched foreign ministers to Beijing.

Britain's Prime Minister, Mr John Major, visited in September.

Visit Said 'Victory' for Reforms

HK0511010791 Hong Kong SOUTH CHINA MORNING POST in English 5 Nov 91 p 10

[By Willy Wo-lap Lam]

[Text] The visit to China by American Secretary of State Mr James Baker will spell a major victory for the patriarch Mr Deng Xiaoping's line of opening up the country in economics and diplomacy while freezing domestic political changes.

Mr Baker's tour, which marks the virtual restoration of Sino-U.S. ties to levels matching those that existed before the Tiananmen Square crackdown, will further expedite China's full reintegration into the world community.

It will also help Mr Deng persuade the hardline faction of the party that he is right in insisting on the "Third Plenum line" of taking economic reform as the "core" of national endeavours.

However, the U.S. move to normalise relations without Beijing making concrete concessions in human rights and political reform, will confirm the Chinese Communist Party's determination to continue its clampdown on dissent.

While Washington has not lifted the last remaining sanction over the transfer of high-tech equipment, Mr Baker's visit will signal China's overall acceptance by the Western world.

It will also make it easier for hardline Premier Mr Li Peng, who has already been asked to call on Italy, to line up enough invitations for a triumphant European tour early next year.

The rapprochement with the West will vindicate the prophecy made by Mr Deng in June 1989 that so long as the party could hold together the nation, whatever sanctions imposed on China would eventually melt away.

On the economic front, the restoration of ties with the Americans will give a lift to the "second wave" of reform which Mr Deng unleashed in the spring.

This policy seeks greater use of market mechanisms, especially the further integration of China's southeast coast with capitalist economies.

Since the summer, open cities and special economic zones along the coast have promulgated ambitious programmes, to lure foreign investment, including the issue of shares and the leasing of large areas of prime sites for development by overseas companies.

Co-operation from the West, in the form of investment and loans, is essential for the "advanced stage" of the open door to succeed.

By mid-1991, China had again secured credit lines from major Western governments and from international financial institutions including the World Bank.

However, investment from multi-national companies especially in new zones such as Pudong in Shanghai, has remained small.

The Chinese have high hopes that in the wake of the Baker visit, more multi-nationals, whose attention has in the past two years turned to a liberalised eastern Europe and the Soviet Union, might again become interested in China.

Domestically, Beijing's success in wooing the Americans will give the administration enough confidence to further put off political liberalisation.

The position of several conservative politicians, including Mr Li, might be consolidated.

As head of the Party Central Committee's Leading Group on Foreign Policy, Mr Li deserves credit for crafting a series of diplomatic offensives that have effectively ended China's isolation on the world stage.

Chinese sources say it is now unlikely that Mr Li, who at 64 is still considered relatively young in China's geriatric politics, will be asked to give up his position at the 14th party congress next year.

Analysts say in spite of the fact that during or after Mr Baker's visit, Beijing might make token concessions on human rights such as the release of a few wellknown dissidents, it is unlikely the party will liberalise its police-state apparatus.

In recent months, top leaders including Mr Li have reiterated that the party will "implement political reform in tandem with economic reform".

However, they have only referred to administrative restructuring such as the trimming of bureaucratic fat and introducing a "Western-style" civil service system.

Visit Said To Come at 'Low Ebb'

HK0511045491 Hong Kong TA KUNG PAO
in Chinese 5 Nov 91 p 2

["Political talk" column by Shih Chun-yu (2457 0689 3768):
"Can Baker's China Visit Smooth Out Differences?"]

[Text]

Chinese-U.S. Relations at a Low Ebb

U.S. Secretary of State Baker announced in Madrid that he will visit China in mid-November. A Chinese Foreign Ministry spokesman confirmed this news yesterday. As Chinese-U.S. relations are at a low ebb, a meeting in Beijing between Chinese and U.S. foreign ministers will, of course, draw people's attention.

Baker said at a press conference: China has almost one-fourth of all the people in the world. It has great influence in Asia and immense economic potential. Therefore ignoring China would not make the real problems between the United States and China go away. These remarks indicate that the U.S. Government still takes serious account of U.S.-Chinese relations.

China welcomes Baker's forthcoming visit. Chinese-U.S. relations at present are not satisfactory. Direct talks between the two countries' leaders will increase mutual understanding. If some misunderstanding and differences can be removed, this will greatly benefit both countries.

Now some people in U.S. political circles and Congress are attacking Bush's "weak" position toward China by taking advantage of next year's presidential election. They are quibbling over some questions. First, they accuse China of unsatisfactory human rights records; second, the United States has registered an unfavorable balance in its trade with China; third, Chinese prison-made products have been exported to the United States; and fourth, China has carried out technological cooperation with Iran in nuclear energy.

Achievements Depend on the United States

Beijing has made great efforts to explain these "disputed" problems and has taken specific action to prove its willingness to improve relations with the United States, including increasing the imports of U.S. commodities to reduce the U.S. trade deficit, punishing some factories for exporting prison-made products, and stressing that it will not allow prison-made products to be exported. On the human rights issue, China has published a white paper on human rights explaining China's situation and its stand on this issue. On providing nuclear technology to Iran, China has explained that this is for medical and other peaceful purposes and is within the scope of scientific and technological exchanges.

Whether or not Baker's forthcoming visit to Beijing will yield satisfactory results depends on whether or not the United States will stick to its position on the above problems and force China to make concessions to the United States. China hopes that both sides will abide by the principles of mutual respect for sovereignty and noninterference in each other's internal affairs. The differences between the two countries should be solved through mutual understanding, mutual accommodation, equal cooperation, and consultations strictly according

to the Shanghai Communique and the Chinese-U.S. Joint Statement, instead of judging problems from different social systems.

But assuming the overbearing airs of a victor nation during the Gulf war, some U.S. congressmen are "finding fault with China in a petty way." They even hurled abuse at China. This can be judged from the tone and words they used. This has caused resentment among many Chinese.

China Hold Firms to Its Own Road

The world has changed toward multipolarization since the end of the Gulf war. Even though the Soviet Union has changed, it is not what the United States says that counts. The EC, Germany, Japan, ASEAN, the Asia-Pacific economic zone are ascending. Changes in the Soviet Union and East Europe have made China more confident in carrying out reform and opening up according to its specific conditions to improve the socialist system. No foreign countries can shake this.

The Japanese Miyazawa cabinet, which will be formed today, has announced that it will build Japan into a "big country of life." In other words, he will materialize the "policy of doubling assets value" which he stressed when he wished to become prime minister seven years ago—an effective policy similar to the one proposed by Ikida in the 1960's. China focuses on economic construction and improving the people's lives in practicing the policy of "one central task, two basic points." China's reform and opening up for the last 12 years have won positive appraisal from the people in the country and abroad. Even some American experts said that the Soviet Union should learn from China in carrying out steady reform. Now some U.S. congressmen are clamoring that pressure should be put on China. Frankly speaking, this is not favorable to the United States. The U.S. economy does not present optimistic prospects. If the United States wants to harm others, this will be the worst policy.

Vice Premier Zhu Rongji Meets U.S. Entrepreneur

*OW0411121791 Beijing XINHUA in English
1056 GMT 4 Nov 91*

[Text] Beijing, November 4 (XINHUA)—Chinese Vice-Premier Zhu Rongji met with Vice-Chairman Randall L. Tobias of the AT&T Corporation of the United States here this afternoon.

In the meeting, Zhu encouraged AT&T to explore ways of expanding its cooperation with China. With constant development of China's economy, he said, the prospect will become broader for the country's cooperation with foreign countries.

Tobias said his company wishes to expand business in China, which he said is a rapidly-growing, huge market.

Tobias and his party are here on a three-day visit as guests of the State Commission for Restructuring Economy.

Wang Zhen Discusses Taiwan, Reform With Visitors

*OW0211032591 Beijing XINHUA in English
1500 GMT 1 Nov 91*

[Text] Beijing, November 1 (XINHUA)—Chinese Vice-President Wang Zhen met here today with Ben John Chen, chairman of the Asian American Republic National Federation.

In a friendly atmosphere, Wang, also honorary president of the China Association for International Friendly Contacts (CAIFC), exchanged views with Chen on the Taiwan question and issues concerning China's economic construction and development.

Wang pointed out that it is inevitable for Taiwan to be reunified with the mainland of China considering its political, economic, cultural and historical factors.

He said it is against the wishes of the Chinese people to advocate the "independence of Taiwan."

Chen agreed, saying that the majority of the Chinese descendants strongly opposed Taiwan's "independence," adding that few will show sympathy for such advocates.

On China's economic construction and development, Wang said only by adhering to the socialist road could China become prosperous.

Wang said that though large in territory and rich in resources, China's population is too large, reducing its per capita land and resources. Therefore the construction task for China is even heavier, he added.

Wang restated that China requires a peaceful international environment and stability and unity at home for its construction.

Chen said that during his current visit in China, he had seen stability in society and economic prosperity which people are enjoying.

During the meeting, the two old men had free and open talks about Chinese ancient history and culture and current developments in the country.

Chen and his party came at CAIFC's invitation.

Bank of Communications Opens Manhattan Branch

*OW0211050691 Beijing XINHUA in English
1837 GMT 1 Nov 91*

[Text] New York, November 1 (XINHUA)—The New York branch of China's Bank of Communications, its first overseas office, officially opened for business here today, with the approval of the Office of the Comptroller of the Currency of the U.S. Treasury Department.

Shen You-qin general manager of the New York branch, told XINHUA NEWS AGENCY that the Bank of Communications, which was founded in 1908 and restructured in 1987, sets up the New York branch in conformity with the rapid development of economic and trade relations between China and the United States. Therefore, he said, the main purpose of his office is to do its part in promoting the Sino-U.S. economic ties and trade, and, at the same time, to serve as a window in the West world so as to get experience for opening more branch offices in foreign countries in the future.

He said that the business scope of his branch is to engage in deposits, loans and remittances in foreign currencies, as well as trade and non-trade international settlements, selling and buying foreign exchange, and providing joint loans with foreign banks.

He said the Bank of Communications is a whole business bank. So the main clients of the New York branch will be the Chinese companies and enterprises in the United States, the companies run by Overseas Chinese or Chinese Americans and the American companies which are doing business with China.

He assured that his branch will provide high-quality services to the clients in line with the bank's three-first principle—first-rate service, first-rate working efficiency and first-rate banking reputation.

The New York branch has an asset of 20 million U.S. dollars for operation and is located at the World Trade Center in Manhattan of New York City.

Sun Weiben Returns From Visit to Alberta

SK0311072791 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 2 Nov 91

[Text] The Heilongjiang provincial goodwill delegation led by Sun Weiben, secretary of the provincial party committee and chairman of the provincial People's Congress Standing Committee, returned to Harbin by train on the morning of 2 November after ending its seven-day friendly visit to Canada.

Sun Weiben and his entourage paid a friendly visit to Alberta, Canada, at its government's invitation and participated in the celebration activities to mark the 10th anniversary of the establishment of friendly relations between Heilongjiang Province and Alberta Province.

During the visit, Sun Weiben and his entourage attended a rally held by Alberta to mark the 10th anniversary of the establishment of friendly relations between the two provinces and held extensive contacts with people from various circles in Alberta. They also held talks with Alberta's governor and signed a memorandum on development of mutual friendship and understanding. Both sides were satisfied with the cultural, sports, and educational exchanges they have conducted for the past 10 years and studied and explored ways to strengthen future

economic and trade cooperation. Both sides affirmed that, based on the past 10 years, they would continue to develop friendly relations.

Greeting the delegation at the Harbin Railway Station were provincial party and government leaders, including Zhou Wenhua, Ma Guoliang, Chen Yunlin, and He Shoulun.

Soviet Union

Gorbachev Assesses Post-Coup Political Situation

*OW0511025691 Beijing XINHUA in English
1713 GMT 4 Nov 91*

[Text] Moscow, November 4 (XINHUA)—President Mikhail Gorbachev said today that his country is "in the most critical situation," TASS news agency reported.

Gorbachev made the remarks in his opening speech at a meeting of the USSR State Council held in the Kremlin.

Gorbachev said the current state of affairs is a principal item of the meeting.

One gathers the impression, he said, that "we have irresponsibly managed the post-coup political capital."

He said that "at that time hope arose that we would be able to master the situation, take the road of reforms and prevent a break-up of the union," but "this did not happen and we have approached an abyss."

Gorbachev admitted that the economic union treaty and a new union treaty are being drawn up with difficulty owing to the differences of the republics' attitudes.

Gorbachev supported the republican reform program put forward by Russian President Boris Yeltsin last week. But Yeltsin pointed out that Russia and other republics "will not cope with this tragic situation" by acting alone.

Gorbachev said that the country's existing market should not be allowed to disintegrate and it would be unpardonable to create additional obstacles.

The president emphasized that despite the fact that prices will be freed shortly, measures have not been taken up till now to stimulate work and protect the low-incomed groups of the population.

The members of the State Council and the Soviet president's consultative council attended the meeting.

The structures of the inter-state economic council, Interior Ministry, Foreign Ministry, and the procurator's office, as well as the building of the Soviet armed forces are among other major topics of the meeting.

Warns of Approaching 'Abyss'*OW0511040291 Beijing XINHUA in English
0157 GMT 5 Nov 91*

[Text] Moscow, November 4 (XINHUA)—Soviet President Mikhail Gorbachev said here today the Soviet Union was embroiled in a "most critical situation" and was now "approaching an abyss," the TASS news agency reported.

The president told the current session of the Soviet State Council that although prices were skyrocketing with each passing day, measures had yet to be taken to stimulate work and protect low-income groups in the population.

Topping the agenda at the current State Council session was the future of the union's administrative organs such as the Inter-Republican Economic Committee, and the Ministries of Defence, Internal Affairs and Foreign Affairs.

The council also discussed a series of agreements concerning the proposed Soviet economic community.

Leaders from 10 republics participated in the meeting. Moldavia and Armenia did not send representatives to Moscow.

Gorbachev spoke of a failed opportunity after the August 19 incident.

It was hoped "we would be able to master the situation, take the road of reforms and prevent a breakup of the union," he said.

"This did not happen and we have approached an abyss," he added.

The president said Russia and other republics would not be able to cope with this "tragic situation" if acting alone.

Gorbachev said he supported the republican reform program put forward by Russian President Boris Yeltsin last week but stressed prices could not be freed before certain problems were resolved.

Production would have to be boosted, spending cuts introduced and the price of daily necessities addressed, he said.

The meeting approved the disbandment of some 80 Soviet ministries.

However, the future of the Foreign Ministry, the Defense Ministry and the Interior Ministry were still subject to secret discussions.

Delegates also discussed the organizational framework of the proposed Inter-Republican Economic Committee.

A final decision should be reached at the council's next session scheduled for November 12.

Soviet Budget Deficit Reaches 240 Billion Rubles*OW3010132191 Beijing XINHUA in English
1248 GMT 30 OCT 91*

[Text] Moscow, October 30 (XINHUA)—The budget deficit of the Soviet Union reached 240 billion rubles (about 133.3 billion U.S. dollars) for the first nine months of the year, the Soviet INTERFAX reported today.

In 1992 the deficit would still be as much as 100 billion rubles (55.5 billion U.S. dollars) even if no appropriations would be made for national defense or the functioning of the union administrative bodies, INTERFAX said.

The pessimistic estimation was made at a meeting of the USSR Economic Management Committee on Tuesday, according to the same source.

Last week the committee forecast a deficit of 300 billion rubles (about 166.6 billion U.S. dollars) for this year.

Meanwhile, the Soviet "TRUD" newspaper reported that 200-ruble bank notes, the highest denomination ever issued by the Soviet state bank, were put into circulation today.

Moscow Unemployed To Reach 50,000 by July*OW3110114091 Beijing XINHUA in English
0942 GMT 31 Oct 91*

[Text] Moscow, October 31 (XINHUA)—The number of unemployed Muscovites will reach 50,000 by July of next year, the IZVESTIYA newspaper reported Wednesday.

It said the first appreciable leap in unemployment is expected late this November, when tens of union and Russian Government departments cease to exist, affecting tens of thousands of people.

According to statistics published by the paper, three-fourths of those who have registered at the labor exchange received a higher education, of whom the absolute majority are women.

IZVESTIYA report continued that "an average dole in Moscow now rates 266 rubles, but the lowest living standard is estimated at over 500 rubles."

In order to smooth somehow the upcoming wave of dismissals, the Moscow Government plans to reduce department staff by stages. They also consider a substantial increase of the minimum pensions for Moscow residents.

Meteorological Body Signs Agreement With USSR*HK0111110091 Beijing XINHUA Hong Kong
Service in Chinese 0155 GMT 25 Oct 91*

[Text] Moscow, 24 Oct (XINHUA)—On the afternoon of 24 October, the China State Meteorological Bureau and the Soviet Hydrometeorological Committee signed

an agreement in Moscow on the 1992-93 Sino-Soviet scientific and technological cooperation in the meteorological field.

Zou Jingmeng, director of the China State Meteorological Bureau; and Yuriy Izrael', chairman of the Soviet Hydrometeorological Committee, signed the agreement.

Yu Hongliang, Chinese ambassador to the Soviet Union, attended the signing ceremony.

Symposium Works To Set Soviet Export Ties

SK2510093591 Harbin Heilongjiang People's Radio
Network in Mandarin 2200 GMT 24 Oct 91

[Text] The seven-day 1991 autumn symposium for displaying samples and taking orders for export ended on 17 October.

Several thousand kinds of commodities, made by more than 10 enterprises throughout the country, were displayed in seven exhibition halls.

During the symposium, more than 630 travelling traders from various localities, including Guangdong, Shenzhen, and Beijing, held talks on economic and technological cooperation, barter trade, and spot exchange trade with 265 traders from 93 trade groups from the Soviet Union's Yakut Autonomous Soviet Republic, Khabarovsk, and Maritime Oblast.

According to preliminary statistics, traders signed contracts involving 160 million Swiss Francs at the symposium.

Daily Notes Xinjiang-USSR Trade Increase

HK0111143291 Hong Kong AFP in English
1414 GMT 1 Nov 91

[Text] Beijing, Nov 1 (AFP)—Trade between the Chinese region of Xinjiang and neighbouring areas in the Soviet Union through the first nine months of this year was four times as high as the total during the preceding four years, the Xinjiang Daily [XINJIANG RIBAO] has reported.

It said trade worth 290 million dollars between the northwestern Chinese autonomous region and the Soviet Union was completed from January to September, quadrupling total trade from 1987-90.

The newspaper's October 26 edition, which reached here Friday, ascribed the meteoric increase to the dynamism of Xinjiang's state-owned import-export agency.

The agency is no longer content to deal solely with its Soviet counterpart but has sent salespeople into the Soviet Union to deal with all sectors of Soviet society, the newspaper said.

Foreign trade from Xinjiang is largely accounted for by the agricultural sector, which has contracts to sell 13,000 tonnes of meat, 150,000 tonnes of sugar and 70,000 tonnes of corn, the Xinjiang Daily said.

Xinjiang—which has a majority-Moslem population—borders three Moslem republics in the Soviet Union—Kazakhstan, Kirgiziya and Tadzhikistan. It has transit points for foreign commerce into Pakistan and Mongolia, as well as the Soviet Union, through which more than 500 million dollars worth of commerce has passed over the last 10 years, official statistics show.

China and the Soviet Union share a 7,000-kilometre (4,400-mile) border.

Trade between the two countries has steadily increased since the Sino-Soviet rapprochement of the early 1980s. It was estimated at 2.8 billion dollars in 1988 and 3.9 billion dollars in 1989.

Soviet Institute Delegation To Visit Tianjin

SK0511005291 Tianjin People's Radio
in Mandarin 1000 GMT 3 Nov 91

[Text] At the invitation of the Tianjin Municipal Petrochemical Corporation, an All-Union Petrochemical Industrial Equipment and Science-Technology Institute delegation will visit the municipality for technological exchanges. Mrs. Korkecheva, member of the delegation, who came to Tianjin to look for her mother in 1990, arrived in advance on the morning of 3 November. Excited about returning to her hometown, she happily hugged and shook hands with her relatives and exchanged greetings with them.

During its stay in the municipality, the Soviet institute's delegation will conduct technological exchanges on the processing crafts and installation of some chemical industrial equipment with the machinery plant of the Tianjin Municipal Petrochemical Corporation and will visit the oil refinery, the chemical industrial plant, and the polyester fiber plant under the municipal petrochemical corporation.

Northeast Asia

Japanese Hokkaido Delegations Visit Heilongjiang

SK2910090091 Harbin Heilongjiang People's Radio
Network in Mandarin 2200 GMT 28 Oct 91

[Text] At the invitation of the provincial government and the provincial People's Congress Standing Committee, a seven-member Hokkaido prefectural government delegation, headed by Governor Takahiro Yokomichi, and a 21-member Hokkaido prefectural representative assembly delegation, headed by President (Yehuaiyi), arrived in Harbin by chartered plane at 1200 on 28 October. A 137-member Hokkaido prefectural people's goodwill delegation also arrived in Harbin on the same plane.

The visits of the delegations headed by the Hokkaido prefectural governor and president will deepen the friendship and cooperation between Heilongjiang Province and the prefecture. The delegations will participate

in our province's celebrations marking the fifth anniversary of the establishment of friendship ties between the province and the prefecture.

Yokomichi Group Meets Li Ruihuan

*OW0111075991 Beijing XINHUA in English
0738 GMT 1 Nov 91*

[Text] Beijing, November 1 (XINHUA)—Closer ties between the friendship cities, provinces and prefectures of China and Japan are important to the growth of relations between the two countries, Chinese Communist Party leader Li Ruihuan said here today.

Li, Standing Committee member of the Political Bureau of the Chinese Communist Party Central Committee, made the remark during a meeting with a group led by Governor Takahiro Yokomichi of Japan's Hokkaido.

Yokomichi arrived in Beijing Thursday after visiting China's Heilongjiang Province at head of a 130-member goodwill mission from Hokkaido. Hokkaido and Heilongjiang Province established "sister" ties in 1986.

At the meeting Li voiced delight at the achievements of cooperation between Hokkaido and Heilongjiang. He said "substantive measures" in terms of trade, science and technology, culture, education and sanitation should characterize the sisterly ties between Chinese and Japanese cities, provinces and prefectures.

Yokomichi, noting that this is the fifth year for the sisterly ties between Hokkaido and Heilongjiang, said he hopes to explore new channels to strengthen and expand their cooperation.

Wang Zhen Meets Japan's NHK Delegation

*OW2810125791 Beijing XINHUA in English
1220 GMT 28 Oct 91*

[Text] Beijing, October 28 (XINHUA)—Chinese Vice-President Wang Zhen met here this afternoon with a delegation led by Kazuo Nakamura, executive director-general of the Japan Broadcasting Corporation (NHK).

The delegation is here to discuss with the Chinese State Bureau of Relics a TV programme introducing China's cultural heritage to both Japan and the world. An agreement was signed here this morning do the program and to transfer high-tech equipment required for the filming.

During the meeting, Wang expressed his appreciation of NHK's efforts to introduce China's historical relics to the world, saying that with a history of 5,000 years, China boasts a rich treasure of such relics. Unfortunately, many of China's cultural treasures were plundered by imperialists, an act French novelist Victor Hugo described as "banditry".

Wang said that after the founding of the People's Republic, China has attached high importance to preserving, collecting, and cataloguing China's cultural heritage, adding that Japan's assistance is greatly appreciated.

Nakamura said that it will not only be conducive to strengthening mutual understanding and friendship between the Chinese and Japanese people to introduce China's civilization, but also will help the rest of the world to understand and protect this great cultural heritage.

Present at the meeting were He Jingzhi, acting minister of culture, and Zhang Deqing, director of the Chinese State Bureau of Relics.

Li Guixian Meets Japanese Banker, Delegation

*OW2910023391 Beijing XINHUA in English
0155 GMT 29 Oct 91*

[Text] Beijing, October 29 (XINHUA)—Li Guixian, Chinese state councillor and governor of the People's Bank of China, met here this morning with Sakanoue Kei, president of Japan's Chuo Trust and Banking Co. Ltd (CTB), and his party.

During the meeting, the two sides exchanged views on furthering contacts and cooperation between the financial organizations of the two countries.

Present at the meeting was Wang Deyan, governor of the Bank of China.

Sakanoue Kei arrived here Monday.

Wang Hanbin Meets Japanese Visitors 30 Oct

*OW3010133991 Beijing XINHUA in English
1304 GMT 30 Oct 91*

[Text] Beijing, October 30 (XINHUA)—Wang Hanbin, vice-chairman of the Chinese National People's Congress Standing Committee, met with Toshiro Shimoyama, president of the Japanese Olympus Optical Co., Ltd., and his party here today.

The Japanese visitors arrived in Beijing October 28.

Vice Premier Zhu Rongji Meets Japanese Visitors

*OW0411122591 Beijing XINHUA in English
1134 GMT 4 Nov 91*

[Text] Beijing, November 4 (XINHUA)—Chinese Vice-Premier Zhu Rongji met with advisor to the Japanese Mitsubishi Heavy Industries Ltd and former Japanese Ambassador to China, Yosuke Nakae, and his party here this afternoon.

In the meeting, Zhu said he expects the Mitsubishi Heavy Industries Ltd to further its cooperation with China on the present basis.

Nakae and his group are here on a 10-day visit as guests of the State Planning Commission. The visit also includes a tour of Dalian, Shenyang and Shanghai.

Further Coverage of Change in Japanese Government

Miyazawa Ponders Appointments

OW2910190891 Beijing XINHUA in English
1517 GMT 29 Oct 91

[Text] Tokyo, October 29 (XINHUA)—Three top posts in Japan's ruling Liberal Democratic Party (LDP) remained undecided today with new party President Kiichi Miyazawa facing intra-party rivalry over who should fill the vacancies.

Miyazawa, 72, former deputy prime minister and finance minister, won a landslide victory in Sunday's party presidential election, gaining 285 of the 492 valid votes cast.

Former Finance Minister Michio Watanabe ranked second with 120 votes, while former Transport Minister Hiroshi Mitsuzuka garnered 87 votes.

Miyazawa officially assumed the office of LDP president at an extraordinary party convention earlier in the day.

Since the LDP commands a comfortable majority in the powerful lower house of Japan's Diet (parliament), Miyazawa will automatically become prime minister when the Diet reconvenes on November 5.

His first problem will be to satisfy the various factions within the LDP by awarding their members with important party and government portfolios.

The largest faction of former Prime Minister Noboru Takeshita has proposed sharing the top three party posts between the Takeshita, Miyazawa, and Watanabe factions, according to LDP sources.

The strong support given by the Takeshita faction was a decisive factor in bringing Miyazawa to power.

Miyazawa has picked Tamisuke Watanuki from the Takeshita faction as secretary general, the party's no. 2 post.

In addition he has chosen Koko Sato as chairman of the LDP Executive Council, the party's decision-making body. Sato is a senior member of the fourth-largest faction led by Watanabe, the sources said.

Miyazawa plans to nominate Yoshiro Hayashi from his own second-largest faction as chairman of the LDP Policy Affairs Research Council, the sources added.

Angered with the plan, Mitsuzuka, who heads the third-largest faction, said Yoshiro Mori, a senior member of his faction, should be given either the Executive Council or policy board post.

Mitsuzuka called on both Shin Kanemaru, head of the Takeshita faction, and Miyazawa earlier in the day to select a member of his own faction for a party executive post.

Miyazawa told Mitsuzuka he would reply after careful consideration, the sources said.

Appointments Approved

OW3110055191 Beijing XINHUA in English
0535 GMT 31 Oct 91

[Text] Tokyo, October 31 (XINHUA)—Japan's ruling Liberal Democratic Party (LDP) approved the appointment of the three top executive posts at its General Council meeting here this morning.

New LDP President Kiichi Miyazawa, reversing his earlier stand of excluding the LDP second-largest faction led by Hiroshi Mitsuzuka from key LDP posts, picked Yoshiro Mori, deputy chairman of the Mitsuzuka faction, to head the LDP Policy Research Council.

Miyazawa, who will be elected Japan's 49th prime minister on November 5 at the Diet, had already given the party's No. 2 post, secretary general, to Tamisuke Watanuki of the largest faction founded by former Prime Minister Noboru Takeshita.

He had also chosen Koko Sato, a leading member of the fourth-largest faction led by Michio Watanabe as chairman of the party's General Council.

Miyazawa said he had spread the top three LDP jobs around in the interest of "intraparty harmony and party unity."

Today's formal appointment of the three men has completed the roster of key party officials.

The Takeshita faction ensured Miyazawa's election by backing him for the presidency, and Watanabe and Mitsuzuka ranked second and third respectively in Sunday's LDP presidential race.

In appointing Mori as Chairman of the LDP Policy Research Council, Miyazawa scrapped earlier plans to give the post to former Health and Welfare Minister Yoshiro Hayashi, a senior member of Miyazawa's own third-largest faction.

The LDP presidency carries with it the premiership because the LDP enjoys a stable majority in the powerful House of Representatives.

Political analysts said the focus of attention has now shifted to the selection of Miyazawa's cabinet members which will be announced on November 5.

Kaifu, Cabinet Resign

OW0511042391 Beijing XINHUA in English
0300 GMT 5 Nov 91

[Text] Tokyo, November 5 (XINHUA)—Japanese Prime Minister Toshiki Kaifu and his cabinet resigned this morning to pave the way for Kiichi Miyazawa, who is to replace Kaifu as Japan's 49th prime minister this afternoon.

Miyazawa, 72, new president of the ruling Liberal Democratic Party (LDP), will be elected prime minister at the 112th Extraordinary Diet (parliament) Session today.

Miyazawa is sure to win because of a 279-seat majority held by the LDP in the 512-seat house of representatives.

Kaifu, 60, who left office after two years and three months, expressed regret that momentous international events had been an obstacle to achieving his domestic agenda, including his cherished political reform plans.

Kaifu, who belongs to the smallest faction in the LDP, was ushered into office by LDP leaders in August 1989 to help reverse rock bottom showings in the polls after the LDP's image was sullied by the Recruit stock-for-favor and sex scandals.

Kaifu was adamant about keeping his cabinet free of politicians who were involved in the Recruit scandal. But he lost political clout after the Diet rejected in September his political reform bills, on which he staked his political life.

Miyazawa Profiled

OW0511084891 Beijing XINHUA in English
0736 GMT 05 Nov 91

[Text] Tokyo, November 5 (XINHUA)—Kiichi Miyazawa was formally confirmed today as Japan's 49th prime minister and successor to Toshiki Kaifu, following in an election in both houses of the Diet.

Miyazawa, 72, former deputy prime minister and finance minister, won a landslide victory in the presidential race of the ruling Liberal Democratic Party (LDP), on October 27.

The LDP presidency carries with it the premiership because the party enjoys a stable majority in the powerful house of representatives.

Miyazawa is recognized as an internationally minded person, and one of the few Japanese politicians with full command of English.

He is also one of the few living politicians to see Japan emerge from its ruins after World War II to its economic superpower status enjoyed today.

Miyazawa was born in Tokyo, and began his bureaucratic career during the war, joining the Finance Ministry in 1942, one year after he graduated from the University of Tokyo's Law Faculty.

He won a Diet seat for the first time in 1953, becoming a member of the House of Councillors. He was elected to the more powerful House of Representatives from Hiroshima Prefecture in 1967 and has been returned to the lower chamber eight times since then.

In 1962, he became the director general of the Economic Planning Agency, his first job in the cabinet.

He later served as international trade and industry minister, foreign minister, and chief cabinet secretary.

In 1986, Miyazawa succeeded to the head of his faction, replacing former Prime Minister Zenko Suzuki. In 1987, he was defeated by then LDP Secretary-General, Noboru Takeshita, in the race for prime minister.

He became deputy prime minister and finance minister in the Takeshita Cabinet, but resigned in December 1988 to take responsibility for the Recruit stock-for-favor scandal.

Subsequently, he assumed a low political profile, but decided to enter the recent race for the LDP presidency because he viewed it as his last chance to become prime minister.

Miyazawa, in a pamphlet outlining his political targets, said he hoped to help forge a new international role for Japan as the world faces momentous changes.

New Shipping Service Links Qingdao to Incheon

HK3110070191 Hong Kong WEN WEI PO
in Chinese 31 Oct 91 p 2

["There Is Now Shipping Service Between Qingdao, Incheon"]

[Text] Qingdao, 30 Oct (WEN WEI PO)—Cargo and passenger shipping service between Qingdao and Incheon will begin at the end of October; the trip will take some 20 hours. Passengers will be granted visas upon arrival at their destinations, and it is very convenient.

Qingdao's trade with South Korea has a civil pattern; at present, it maintains a low key, but the staying power is quite strong. From now on, foreign businessmen can go to Incheon via Qingdao, to continue business trips.

Apart from the old port, which has an annual cargo handling capacity of 31 million tonnes, the new port in Qingdao's Qianwan has two newly built 20,000-tonne berths, and Qingdao is using all its strength to build Qianwan's new port; the first-phase project will build a cargo handling capacity of 17 million tonnes, as well as six berths. In addition, Huangdao Pier, which serves Shengli Oil Field exclusively, can accommodate 25,000-tonne tankers, which carry oil overseas.

Last year, Qingdao handled 138,000 standard containers, and the number will increase to 200,000 this year.

At the same time, the cargo and passenger shipping service between Weihai and Incheon has been operating for a year now, and there has been a large number of passengers; many Japanese, South Korean, and Taiwan businessmen have traveled the route. The ship departs from Weihai every Thursday and Sunday, the fares are 90, 150, 200, and 400 yuan. Passengers board the ship at 1600 and arrive South Korea at 2100 the next day.

Southeast Asia & Pacific

SRV's Do Muoi, Vo Van Kiet Begin Official Visit

Depart Hanoi

OW0511010591 Beijing XINHUA in English
0043 GMT 5 Nov 91

[Text] Hanoi, November 5 (XINHUA)—A high-ranking Vietnamese delegation left here this morning for China on an official visit at the invitation of General Secretary Jiang Zemin of the Chinese Communist Party Central Committee and Chinese Premier Li Peng.

The delegation was led by General Secretary Do Muoi of the Central Committee of the Communist Party of Vietnam and Chairman Vo Van Kiet of the Council of Ministers.

Speaking at the seeing-off ceremony, Do Muoi said that the upcoming visit is of great significance and will make achievements in various fields.

He believed that the visit will contribute to the safeguarding of peace, promotion of cooperation and development of Vietnam and China, this region and other parts of the world.

He said the visit not only complies with the interests of the peoples of the two countries but also the desires of the people all over world.

Among those who present at the ceremony were Vo Chi Cong, president of the Council of State, Pham Van Dong, advisor to the Central Committee of the Vietnamese Communist Party, Le Quang Dao, chairman of the National Assembly and other senior officials, mostly Politburo members of the party.

Stop in Nanning

HK0511153091 Nanning Guangxi People's Radio
Network in Mandarin 1100 GMT 5 Nov 91

[Text] At the invitation of the Jiang Zemin, CPC Central Committee general secretary and Li Peng, Chinese State Council premier, a 29-member Vietnamese high-level delegation headed by Do Muoi, Vietnamese Communist Party general secretary, and Vo Van Kiet, Vietnamese Council of Ministers chairman, arrived and stopped over in Nanning at 0905 this morning on a special plane on their way to Beijing for an official visit to China.

Zhao Fulin, Guangxi Zhuang Autonomous Regional CPC Committee secretary; Cheng Kejie, deputy secretary and concurrently regional people's government chairman; Liu Mingzhu, regional party committee deputy secretary; and Zhang Guang-hao, acting secretary general, went to the airport to welcome and send off the Vietnamese comrades.

Zhao Fulin, Cheng Kejie, and Liu Mingzhu had cordial and friendly talks with Vietnamese comrades Do Muoi and Vo Van Kiet in the VIP room at the airport and wished them success in their visit to China.

Arrive in Beijing

OW0511052991 Beijing XINHUA in English
0510 GMT 5 Nov 91

[Text] Beijing, November 5 (XINHUA)—A high-level Vietnamese delegation led by General Secretary Do Muoi of the Vietnamese Communist Party and Chairman Vo Van Kiet of the Council of Ministers arrived here early this afternoon on a five-day official visit to China.

Do Muoi and Vo Van Kiet are guests of Chinese Communist Party (CPC) General Secretary Jiang Zemin and Premier Li Peng.

During the visit, the two sides are expected to announce the normalization of Sino-Vietnamese relations.

The delegation includes Hong Ha, member of the Secretariat and chairman of the Commission for External Relations of the Vietnamese Communist Party Central Committee, and Foreign Minister Nguyen Manh Cam.

The Vietnamese visitors were greeted at the airport by Yang Taifang, chairman of the Chinese Government Reception Committee and Minister of Posts and Telecommunications, and leading members of the International Liaison Department of the CPC Central Committee and the Foreign Ministry.

Meet Jiang Zemin, Li Peng

OW0511113191 Beijing XINHUA in English
1109 GMT 5 Nov 91

[Text] Beijing, November 5 (XINHUA)—Chinese top leaders and visiting Vietnamese top leaders announced here today that the high-level talks between the two sides marked the normalization of Sino-Vietnamese relations.

The talks are still going on in the Great Hall of the People between Chinese Communist Party General Secretary Jiang Zemin and Premier Li Peng on the one side, and Vietnamese Communist Party General Secretary Do Muoi and Chairman Vo Van Kiet of the Vietnamese Council of Ministers, who arrived here earlier today, on the other side.

Do Muoi Profiled

OW0411201591 Beijing XINHUA Domestic Service
in Chinese 0728 GMT 4 Nov 91

["Man in the News: Do Muoi, General Secretary of the Communist Party of Vietnam Central Committee"—XINHUA headline]

[Text] Beijing, 4 Nov (XINHUA)—At the invitation of General Secretary Jiang Zemin and Premier Li Peng, Do Muoi, general secretary of the Central Committee of the Communist Party of Vietnam [CPV], and Vo Van Kiet, chairman of Vietnam's Council of Ministers, will lead a high-level Vietnamese delegation on an official visit to China 5-9 November.

Born into a peasant family in Dong My township, Thanh Tri County, Hanoi, on 2 February 1917, Do Muoi worked as a painter for some time. He joined the revolution and the Communist Party of Indochina in 1936 and 1939, respectively. He was arrested by the French colonial authorities in 1941. After escaping from prison in March 1945, he carried on his activities, joined the Ha Dong provincial party committee, and led the uprising that seized power in Ha Dong Province during the August Revolution. From 1945 to 1949, during the war of resistance against France, he successively served as secretary of the Ha Dong, Ha Nam, and Nam Dinh provincial party committees; chairman of the Nam Dinh provincial defense committee [bao wei wei yuan hui 0202 5898 1201 0765 2585]; member of the Third Joint Area party committee [di san lian qu qu wei 4574 0005 5114 0575 0575 1201]; and secretary of the Ninh Binh provincial party committee. In 1950, he was appointed deputy secretary of the Third Joint Area party committee, vice chairman of the area's administrative committee for the war of resistance, and political commissar of the area command. From 1951 to 1954, he served as secretary of the Hong Ha Left Bank Area party committee, chairman of the area's administrative committee for the war of resistance, and political commissar of the area command. In 1955, a year after Vietnam was recovered by peaceful means, he was appointed secretary of the Haiphong city party committee and chairman of the city's military and political committee. He was elected as an alternate member of the Central Committee in March 1955.

In December 1956, Do Muoi was reassigned to a central government post, serving as vice minister of commerce. He was promoted to minister in 1958 and was elected as a member of the Central Committee at the third party congress in 1960. He served as chairman of the State Price Committee in 1967. From December 1969 to July 1981, he served successively as vice premier, chairman of the premier's Economic Affairs Office, chairman of the State Capital Construction Committee, and minister of construction. He was elected as an alternate member to the Central Committee's Political Bureau at the fourth party congress in 1976 and served as vice chairman of the Council of Ministers from July of 1981 to June of 1987. He was elected as a full member to the Central Committee's Political Bureau at the fifth party congress in 1982 and was reelected to his Political Bureau seat at the sixth party congress in 1986. In 1987, he served as an executive member of the Central Committee's Secretariat. He was chairman of the Council of Ministers from June of 1988 to August of 1991 and was elected as general secretary of the CPV Central Committee at the First Plenary Session of the Seventh CPV Central Committee in June of 1991. Do Muoi was also member of the 2d, 4th, 5th, 6th, 7th, and 8th National Assemblies.

'Roundup' Views Vo Van Kiet's ASEAN Tour

OW0311214691 Beijing XINHUA Domestic Service
in Chinese 1314 GMT 2 Nov 91

["Roundup" by reporter Hu Suojin (5170 6956 6930):
"Vo Van Kiet's ASEAN Visit Was a Success"—
XINHUA headline]

[Text] Beijing, 2 Nov (XINHUA)—Vo Van Kiet, chairman of Vietnam's Council of Ministers, paid an official visit to ASEAN members Indonesia, Thailand, and Singapore from 24 October to 1 November. The visit, coming one day after the signing of the internationally-agreed-upon Cambodian peace agreement, marked the first time in 13 years that a Vietnamese head of government had visited ASEAN countries. It was a success.

For a long time, Vietnam and ASEAN were two diametrically opposed political blocs. Within the Cold War context, relations between Vietnam and the six ASEAN member countries were marked by antagonism and coolness after Vietnam's invasion of Cambodia in 1978. Recent years, however, have seen some relaxation. Vietnam, currently in the process of reform, is actively improving its relations with its neighbors and the West, in order to foster a peaceful and stable environment and to develop the domestic economy. The Cambodian peace agreement, signed in Paris at the end of October, has created objective conditions for an improvement in Vietnam-ASEAN relations.

At a press conference in Hanoi prior to his visit, Vo Van Kiet said that the purpose of his visit was to strengthen Vietnam's relations with Indonesia and Thailand and to promote the normalization of Vietnam-Singapore relations.

Indonesia was the first leg of Vo Van Kiet's three-nation ASEAN tour. In Indonesia, Vo Van Kiet signed three agreements with President Suharto and other Indonesian leaders on investment promotion and protection, aviation, and shipping.

In Thailand, Vo Van Kiet exchanged views separately with Prime Minister Anan Panyarachun and Suchinda Kraprayun, supreme commander of the Armed Forces, on strengthening political and economic cooperation. In their 30 October joint communique, Thailand and Vietnam indicated their intention to develop friendly relations in accordance with the principles of fostering good-neighborly and friendly relations; respecting each other's independence, sovereignty, and territorial integrity; refraining from interfering in each other's internal affairs; and settling conflicts by peaceful means. Thailand officially expressed its support for Vietnam's admission to ASEAN. Thailand and Vietnam signed the "Thai-Vietnamese Agreement on the Promotion and Protection of Investment" and the "Memorandum on Cooperation in the Exploitation and Sale of Natural Gas."

The Singapore Government attached great importance to Vo Van Kiet's visit, giving the visitors a reception seldom seen in recent years. Almost all party and government leaders, including Wee Kim Wee, Goh Chok Tong, and Lee Kuan Yew, attended receptions, talks, and state banquets. Prime Minister Goh Chok Tong said: With the signing of the Cambodian peace agreement, there are no more obstacles to improving Singaporean-Vietnamese relations. Singapore will soon lift its trade embargo on Vietnam. Singapore welcomes Vietnam's desire to join ASEAN. The two countries concluded many important agreements. They agreed to

establish embassies in each other's capital. They also agreed in principle to hold concrete talks on signing three agreements on protecting investment, avoiding double taxation, and forging aviation links. Singapore will advise Vietnam on management of seaports and airports, transportation, banking, and tourism and will grant patents to the latter.

Vo Van Kiet's nine-day visit will help enhance mutual understanding between Vietnam and ASEAN. It will also strengthen and expand economic and cultural cooperation.

Government Trade Delegation Leaves Manila 25 Oct

OW2710031391 Beijing XINHUA Domestic Service
in Chinese 1201 GMT 25 Oct 91

[Text] Manila, 25 Oct (XINHUA)—After attending the Fifth Asian Trade Promotion Meeting, China's trade promotion delegation, headed by Zheng Hongye, director of the China International Trade Promotion Committee, left Manila for home today.

During his stay in Manila, Zheng Hongye met with Philippine Trade and Industry Secretary Peter Garrucho, and other people from Philippine trade and financial circles. Both sides exchanged opinions on developing bilateral trade.

Near East & South Asia

Spokesman Comments on Nuclear Assistance to Iran

CM0411194491 Beijing XINHUA Domestic Service
in Chinese 1334 GMT 4 Nov 91

[Foreign Ministry Spokesman Denies That China Has Provided Iran With Materials, Equipment, and Technology That Can Be Used To Produce Nuclear Weapons"—XINHUA headline]

[Text] Beijing, 4 November (XINHUA)—Answering reporters' questions today, a Foreign Ministry spokesman said that the reports carried by some Western newspapers and magazines alleging that China has provided Iran with materials, equipment, and technology that can be used to produce nuclear weapons are utterly groundless.

He said: "The Chinese Government has all along adopted a prudent and responsible principle on international cooperation in the peaceful use of nuclear energy and accepts the safeguards of International Atomic Energy Agency (IAEA). The recipient country may not transfer anything to a third country without China's consent."

He said Chinese and Iranian companies signed commercial contracts respectively in 1989 and 1991, according to which China would provide the Iranian side with an electromagnetic separator for producing isotope and a minitype reactor both of which were to be used only for peaceful purposes. He said: These facilities are used for nuclear medical diagnosis and nuclear physics research, isotope production, education and personnel training. Guided by the internationally observed regulations, China had asked the IAEA to enforce the safeguards before these facilities were shipped.

Iranian Spokesman Views Issue

OW0411224091 Beijing XINHUA in English
1515 GMT 4 Nov 91

[Text] Tehran, November 4 (XINHUA)—Iran today brushed aside allegations made by Western media that it is trying to develop nuclear weapons.

What Iran has done is for the peaceful use of nuclear energy and the International Atomic Energy Agency (IAEA) is aware of Tehran's nuclear activities, said Hasan Habibi, the first vice president and government spokesman.

Speaking at his weekly press conference, Habibi termed the Western charge as "a big lie" and stressed that Tehran is in principle against the use of destructive weapons, whether atomic, microbiological or chemical.

He cited Iran's performance during the 1981-88 Iran-Iraq war as a proof that it had abided by its policy of non-proliferation of destructive weapons although it was capable of "producing such weapons despite its repeated exposure to Iraqi chemical attacks."

The vice president expressed his belief that the region must be turned into a zone free of destructive weapons.

Tehran has been at odds with some Western countries over the construction of a nuclear power plant in southern Iran, in an effort to improve the country's electricity supply.

Political & Social

State Council Appoints, Removes Officials

OW0511130391 Beijing XINHUA Domestic Service
in Chinese 0802 GMT 5 Nov 91

[Text] Beijing, 5 Nov (XINHUA)—The State Council recently appointed and removed a group of state functionaries.

Yao Zhenyan [1202 2182 3508] has been appointed vice minister of the State Planning Commission, Deng Nan [6772 2809] vice minister of the State Science and Technology Commission, Tudao Doje vice minister of the State Nationalities Affairs Commission, Jin Renqing vice minister of the Ministry of Finance, Zhu Jiazhen vice minister of the Ministry of Labor, Liu Songjin vice minister of the Ministry of Communications, Liu Hanbin [0491 3352 1755] and Jiang Zhenghua [5592 2973 5478] vice ministers of the State Family Planning Commission, Zhang Hong [1728 6575] vice president of the China National Petroleum Corporation, Huang Yongning permanent representative to the United Nations Food and Agriculture Organization and permanent representative to the International Fund for Agricultural Development (with the title of plenipotentiary envoy), Hu Rongmei [5170 2837 2734] deputy representative to the United Nations Environment Program, Xu Kun [1776 7721] consul general in Istanbul.

Chen Guangjian has been removed from the post of vice minister of the State Planning Commission, Zhol Jyal from the post of vice minister of the State Nationalities Affairs Commission, She Mengxiao from the post of vice minister of the Ministry of Justice, Xiao Yongding from the post of vice minister of the Ministry of Light Industry, Zhang Caizhen from the post of vice minister of the State Physical Culture and Sports Commission, Chang Chongxuan from the post of vice minister of the State Family Planning Commission, Jin Zhongchao from the post of vice president of the China National Petroleum Corporation, Li Zhenhuan from the post of representative to the United Nations Food and Agriculture Organization and permanent representative to the International Fund for Agricultural Development (with a title of plenipotentiary envoy) and Wu Keming from the post of consul general in Istanbul.

Jiang Inspects XINHUA NEWS AGENCY

OW0511073391 Beijing XINHUA Domestic Service
in Chinese 1158 GMT 4 Nov 91

[By reporters Sun Benyao (1327 2609 1031) and Zou Aiguo (6760 1947 0948)]

[Text] Beijing, 4 November (XINHUA)—At the XINHUA NEWS AGENCY today, Jiang Zemin, general secretary of the CPC Central Committee, said: In this critical period of our socialist modernization, journalists and propagandists are faced with an important task of

guiding the broad masses of the people to fully understanding that the party's basic line represents their fundamental interests, and they must go a step further to unite themselves, center closely around the key task of economic development, adhere to the four cardinal principles, persist in the reform and opening up to the outside world, firmly follow the road of building socialism with Chinese characteristics, and strive to accomplish the general goal and overall task of the party.

Prior to the 60th anniversary of the founding of the XINHUA NEWS AGENCY, General Secretary Jiang Zemin, in the company of Wen Jiabao and Wang Renzhi—respectively alternate member of the Secretariat and head of the Propaganda Department of the CPC Central Committee—arrived at the agency at 1500 today to extend his warm congratulations on its founding anniversary. They were accorded a warm welcome by the vast numbers of cadres, workers, and staff members of the agency.

The XINHUA NEWS AGENCY grew out of the HONGSE ZHONGHUA SHE [RED CHINA NEWS AGENCY] which was founded in Ruijin, Jiangxi, on 7 November 1931. Under the direct leadership of the party Central Committee and the kind attention of the proletarian revolutionaries of the older generation, the XINHUA NEWS AGENCY has steadily grown up along with the development of the Chinese people's revolutionary cause and socialist construction. Its various undertakings have developed at a particularly rapid pace since the Third Plenary Session of the 11th CPC Central Committee. Today, employing relatively modern technology and equipment, the XINHUA NEWS AGENCY has developed into a socialist news agency with Chinese characteristics that is rated by international press circles as one of the six most influential news agencies in the world.

Mu Qing, secretary of the leading party group and president of the XINHUA NEWS AGENCY, and Guo Chaoren, deputy party group secretary and vice president of the agency, first reported to General Secretary Jiang Zemin on the agency's propaganda and news reporting as well as its business, personnel, and technical development. Then they showed Jiang Zemin and his party around the general editorial room, dispatch center, and computer room, where the visitors viewed the entire procedure of the processing and transmission of manuscripts using computers; they also extended their cordial greetings to the vast numbers of editors, reporters, and technical personnel of the XINHUA NEWS AGENCY.

After viewing the operational process, General Secretary Jiang Zemin met with the heads of various departments of the agency at the information building's multipurpose hall and made an important speech. He said: Under the direct leadership of the party Central Committee, especially the kind attention of proletarian revolutionaries of the older generation, generations of XINHUA NEWS AGENCY journalists over the past 60 years have firmly kept in mind the aim of serving the people, have carried forward the revolutionary spirit of pioneering a great cause through arduous effort, have maintained solidarity, have worked hard, and have kept forging ahead to

develop a "news agency operating from caves" with only simple and crude equipment into a news agency that covers happenings all over the world using relatively advanced communication technology and equipment. It has also played a significant role during the various historical periods of the Chinese revolution and national development. Particularly after the Fourth Plenary Session of the 13th CPC Central Committee, comrades in the XINHUA NEWS AGENCY have moved in the right direction and scored conspicuous achievements in seriously summing up both positive and negative experience and actively propagating and implementing the party's basic line of "one center, two basic points."

Jiang Zemin said: The 60-year history of the XINHUA NEWS AGENCY is a glorious one. Comrades in the news agency should really cherish its history, carry forward and develop the good traditions and work style, and continue to keep to the direction of serving the people and socialism under the leadership of the party so as to make even greater contribution to the nation's modernization.

Jiang Zemin pointed out: Currently, the situation abroad is intricate while the tasks of development and reform at home are considerably arduous. The new situation and new tasks demand higher performance by comrades on the journalistic and propagandist front. In domestic propaganda, journalists must guide the cadres and the masses toward acquiring a correct understanding of the international and domestic situation, comprehensively and accurately implement the party's basic line, and unswervingly promote socialism with Chinese characteristics. In foreign propaganda, it is necessary to comprehensively and completely reflect the domestic and foreign policies of the CPC and the Chinese Government as well as correctly reflect socialist China's image in the international community, thereby creating an international environment favorable to domestic modernization.

In his speech, Jiang Zemin expressed two expectations of the journalists, urging them to keep on studying and to delve deeply into the real life. He said: To accomplish the important task of journalism and propaganda, we must keep on studying. We must make great effort to study Marxism-Leninism-Mao Zedong Thought and Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, as well as the line and general and specific policies of the party since the Third Plenary Session of its 11th Central Committee, and use them to guide and improve our propaganda and reportage.

Jiang Zemin said: Going deep into the realities of life among the masses to carry out investigation and study is a fine tradition that the XINHUA NEWS AGENCY has shaped over a long period of time and an important factor contributing to its good propaganda, reportage, and performance in various work areas. Fellow comrades must develop this good tradition; play an even more active role as a bridge closely linking the party and the people; propagandize new achievements in the reform, opening to the outside world, and socialist modernization; and publicize the advanced deeds of heroic and exemplary individuals who emerge from the vast numbers of cadres and masses. We should, through

propaganda and news reportage, inspire the people's enthusiasm, enhance their morale, and guide the people toward striving for the attainment of the second-step strategic objective of socialist modernization. To materialize this aspiration, we will need to delve deep into practicing reform and development among the masses to temper and improve ourselves through participation—along with the masses—in practice and in reform and development.

Qiao Shi and Song Ping, standing committee members of the CPC Central Committee Political Bureau, earlier inspected the XINHUA NEWS AGENCY on 1 November and 24 October respectively. They encouraged the agency to carry forward and develop the revolutionary traditions, continue to follow the party's basic line, and strive for excellence in propaganda and news reporting so as to make the XINHUA NEWS AGENCY an international news agency with Chinese characteristics both in name as well as in reality.

Li Peng on Importance of Developing Shenzhen

HK0511074591 Hong Kong MING PAO in Chinese
28 Oct 91 p 2

[By Cheng Hai (2052 3189): "Li Peng Says Successfully Building Shenzhen Special Economic Zone Will Enhance Hong Kong People's Confidence in Mainland"]

[Text] Chinese Premier Li Peng talked at length on the importance on whether or not the Shenzhen Special Economic Zone [SEZ] will be run successfully to responsible persons of Shenzhen city party committee and Guangdong provincial party committee when he inspected the city in mid-October. He stressed that whether or not a good job is done in Shenzhen's economic construction has a bearing on Hong Kong people's confidence in the mainland when Hong Kong is returned to China in 1997.

Earlier, Li Peng inspected Shantou and Shenzhen SEZs and presided over the opening ceremony of the Shenzhen Airport on 12 October. On the very next day, he held a forum with the participation of Li Hao, Shenzhen city party committee secretary; Zheng Liangyu, Shenzhen mayor; and Xie Fei and Zhu Senlin, responsible persons from Guangdong Province.

A source said that the Shenzhen party committee responsible person told Li Peng that the recently held Shenzhen city party congress and people's congress had resolved the problem of Shenzhen converting its type, and set forth the strategy of "building an export-oriented, multifunctional international city with advanced industry as the base, tertiary industry as the pillar, a rather high-level modern agriculture, and rather advanced comprehensive science and technology."

The source said Li Peng approved of Shenzhen's decision; having heard the Shenzhen city leader's report, he talked about Shenzhen SEZ's place and role.

According to Li Peng, Shenzhen's peculiar geographical position determines that it plays a peculiar role. Shenzhen is different from such SEZs as Zhuhai, Shantou, and Xiamen because it closely neighbors Hong Kong. The Shenzhen SEZ's success will have far-reaching effects on China's exploration in socialism, namely, the socialist road with Chinese characteristics. In addition, Shenzhen is a close neighbor to Hong Kong; beyond a doubt, Shenzhen will have certain effects on Hong Kong after 1997. If a good job is done in Shenzhen, it will embody the advantages of socialism and enhance Hong Kong people's confidence. This being the case, whether or not Shenzhen is successful has a bearing on Hong Kong people's confidence after 1997.

It was disclosed that Li Peng also touched upon the relations between Shenzhen and Guangdong. He believed that because of Shenzhen's peculiar position, and a rather important one at that, the Shantou and Zhuhai SEZs are not on a par with it. However, the relations between Shenzhen and Guangdong should be improved, with greater solidarity and better communication.

The source said, there have long been some contradictions between Shenzhen and Guangdong, of which the major dispute was Shenzhen City People's Congress's power in legislature. It was the very issue that gave rise to the criticism by Lin Ruo, former Guangdong provincial party committee secretary, that Shenzhen was pursuing "independence."

It was disclosed that if Shenzhen is to build an export-oriented SEZ, it is imperative for it to follow usual international practice in its decrees and regulations. This being the case, Shenzhen has referred to overseas practice, especially Hong Kong laws and regulations, and drafted a series of decrees. Viewing the existing pressure in legislature, Shenzhen must adopt some 40-50 decrees to meet the needs in economic development. However, the number of decrees adopted by the Guangdong Provincial People's Congress is just a few on an annual basis. The pressure for Shenzhen to acquire power in legislature was placed before the National People's Congress [NPC] for its discussion when Zhao Ziyang was general secretary. At that time, the NPC authorized Shenzhen to study the issue of examining and approving of legislature in Shenzhen after it was established as a city; however, this issue had all along met with pressure from Guangdong Province, and was not placed on the agenda. That led to the worsening of contradictions between the provincial and Shenzhen authorities.

The source said, although Li Peng did not express where he stood regarding Shenzhen's legislature, his attitude toward Shenzhen was tentative.

In addition, Li Peng touched upon the Shenzhen stock market, too. He expressed the belief that Shenzhen's future development would involve scores of billions of yuan, and a major channel was to collect funds through stocks; however, he worried that the stock market would be monopolized by a few "influential families."

Yang Shangkun Inspects Shaanxi 4 Nov

OW0511034391 Beijing XINHUA Domestic Service
in Chinese 1415 GMT 4 Nov 91

[By reporter Hua Nianlun (5478 1628 6544)]

[Text] Xian, 4 Nov (XINHUA)—President Yang Shangkun, who had returned from a long trip to foreign countries, inspected work in Shaanxi on 3 and 4 November. He left Xian for Beijing this afternoon.

Zhang Boxing, Bai Qingcai, Wang Zhicheng, and Zhao Huanzhi—responsible comrades of the party, government, and army organizations in Shaanxi—saw him off at the airport.

During President Yang's stay in Shaanxi, Secretary Zhang Boxing of the Shaanxi provincial party committee briefed him on economic construction, the maintenance of social stability, and other work in the province. President Yang said excitedly: I have not visited Shaanxi for many years. Tremendous changes have taken place in areas along the 800-li-long Qin Chuan [Qin River] and in the whole of Shaanxi. He said: Our country is a large Asian country and one of the permanent members of the UN Security Council. This trip has made me feel that the standing of our country is continuously rising and that people place hopes on China. But we are still poor; it would be better if we were better-off. He said: Shaanxi is a valuable area which made great contributions in the past. It also has great potential. I hope that you will do all your work better in Shaanxi. He was deeply concerned about and acquainted himself with construction in Shaanxi, and asked about when the railway to Yanan would be completed and whether or not petroleum had been discovered in Nanniwan. After learning that apples were produced in quantities in the Yanan area and that peasants had grasped techniques for the storage of apples, he happily said: Properly stored apples can sell at good prices.

During their stay in Xian, President Yang and his party also visited a museum with the display of wood and clay figures of warriors and horses of the Qin Dynasty as well as Huaqingchi and Dayan Pagoda. At the Shaanxi Museum of History where many precious historical relics were on display, President Yang, full of zest, heard a briefing on historical relics and talked cheerfully and humorously about ancient and present things. He viewed exhibits there for more than two hours without showing any fatigue. He showed great concern for the protection of historical relics in Shaanxi. At the conclusion of his visit to the museum, President Yang excitedly told Deputy Director Chen Quanfang of the Shaanxi Provincial Historical Relics Bureau, Director Yin Shengping of the Shaanxi Museum of History, and museum guide Wang Pin: This is the best place to conduct education in patriotism. I thank you for giving me a lesson. It is necessary to organize the broad masses of people to view the exhibits here and to let our people profoundly understand how great our motherland is.

Minister Addresses Public Security Conference

OW0411145491 Beijing XINHUA in English
1435 GMT 4 Nov 91

[Text] Beijing, November 4 (XINHUA)—To prevent and crack down on sabotage by all kinds of hostile forces and to safeguard the stability of the country will be the major task for China's police in the next decade, a senior Chinese official said here today.

Tao Siju, minister of public security, made these remarks at the 18th national public security conference, which opens today.

The conference, the first in 14 years, is intended to sum up the experiences of the country's police since 1978 when the country started its reform and opening to the outside world, to analyze the current domestic and international situation, and to discuss future work plans and the strengthening of the police ranks.

"China's police has done a great deal in the past 14 years in cracking down on enemy sabotage and criminal offenses, which is important to the country's safety, and political and social stability," said the minister.

Insisting on the people's democratic dictatorship to safeguard the stability of the country will be the guiding ideology for China's police, according to the minister.

At the same time, said Tao, it is indispensable to crack down on criminal offenses in order to provide a stable environment for socialist economic and cultural construction.

The minister held that a loyal, well-trained, well-equipped, quick-response police force should be established to meet the complicated and heavy task of the police in the next decade.

China has joined international police cooperation and strengthened its struggle against international criminal syndicates, he added.

Sichuan Executes 5 Drug Traffickers

HK0511101591 Hong Kong AFP in English 0945 GMT
5 Nov 91

[Text] Beijing, Nov 5 (AFP)—Five Chinese drug traffickers have been executed immediately after receiving their death sentences in the central province of Sichuan, the LEGAL DAILY said Tuesday.

The authorities arrested the traffickers, executed on Saturday, in the town of Panzhihua, near to the provincial border with Yunnan, which is itself next to one of biggest heroin producing and trafficking regions in the world—the Golden Triangle, where Thailand, Burma and Laos meet.

The paper did not elaborate on the identities or the ages of the five dead men, nor on the type or amount of drugs involved. It gave no details of the jail terms received by 15 other traffickers sentenced at the same trial.

The LEGAL DAILY reported also that two men were recently executed in Inner Mongolia in northern China for stealing.

Kang Baowei, 25, was found guilty of stealing 101 horses for resale between May 1988 and April 1990.

The crime of 23-year-old Kang Changjiang was pinching a bag containing 44,700 yuan (8,300 dollars) from a shop cashier.

He Zhiqiang Addresses Rally To Combat Drugs

HK3010114391 Kunming Yunnan People's Radio
Network in Mandarin 1000 GMT 26 Oct 91

[Text] The Yunnan provincial authorities and the Kunming city authorities jointly held a public sentence pronouncement rally in Kunming's Dongfeng Stadium this morning.

The rally, which was attended by over 40,000 people of all nationalities, passed sentences on and punished criminals involved in drug-related crimes in accordance with the law and burned confiscated drugs in the presence of all.

Today, three eye-catching, huge slogans were hoisted inside Dongfeng Stadium, which read: Fight Drug Abuse and Punish Drug Trafficking, Drug Addiction, and Drug Plantation; The People of the Province Take Immediate Action To Resolutely Fight Against Drug-Related Crimes; Wage a Struggle Against Drugs To Ensure Smooth Progress in Reform, Opening Up, and Four Modernization Building.

After Kunming Mayor Wang Tingchen declared the rally open, Governor He Zhiqiang delivered a speech in which he said: Today, the Yunnan Provincial Higher People's Court is holding a public sentence pronouncement rally here to punish criminals involved in drug-related crimes in accordance with the law and publicly burn a batch of confiscated drugs. This is another major move aimed at severely cracking down on drug-related criminal activities, serves as a powerful deterrent to criminals at home and abroad, fully embodies a common aspiration of the people of all nationalities, and demonstrates the solemn and just stand of our party and government.

He Zhiqiang noted: In order to thoroughly wipe out the existing drug scourge, party committees and governments at all levels must earnestly strengthen organization and leadership and continually adhere to the principle of simultaneously eradicating drug trafficking, cultivation, and abuse; blocking drug sources; checking drug proliferation; strictly enforcing laws; and eliminating both root causes and symptoms. It is necessary to fully mobilize and closely rely on the broad masses of people; mobilize all forces in society; employ legal, political, economic, administrative, cultural, propaganda, educational, and various other means; and launch a large-scale people's war to eradicate drugs in breadth

and depth and at all levels, with an eye on ending drug abuse and penalizing drug trafficking, cultivation, and addiction.

He Zhiqiang went on: The provincial party committee and government call on all Communist Party members, Communist Youth League members, and people of all nationalities across the province to actively participate in the people's war on drugs, resolutely fight against such lawless and criminal activities as drug addiction and trafficking, build an impregnable fortress for this people's war on drugs, so that all criminals involved in drug-related crimes will find nowhere to hide and drugs will be hated by all as though they were rats crossing the street.

He Zhiqiang reiterated: We must resolutely carry out the National People's Congress Standing Committee decision on fighting drugs as well as the Yunnan provincial regulations on banning drugs, continually adhere to the principle of severely cracking down on criminals committing major and serious crimes, bring into full play the principal role of public security and judicial organs, mop up drug-related criminal activities, severely punish criminals involved in drug-related crimes in accordance with the law, and strive to suppress the drug proliferation momentum, block drug sources, and thoroughly smash all underground black markets for drugs within two to three years.

He Zhiqiang stated: Since the Yunnan Provincial People's Government issued a circular on strictly banning drugs on 17 August of this year, quite a few people involved in drug-related crimes have turned themselves into various public security and judicial organs seeking lenient punishment. Quite a few drug addicts have also confessed and repented their crimes. However, there are still some people who adhere to a wait-and-see attitude and have been reluctant to follow suit. Not much time is left between now and the deadline set in the circular. I hope all those people will be able to acquire a clear understanding of the situation and come to their senses, otherwise they will undoubtedly reap what they have sown. We would like to issue here once again a stern warning to all drug traffickers at home and abroad: If you continue to carry out drug-related criminal activities in our country, you will certainly be severely punished by our country's law.

He Zhiqiang concluded: The Chinese people have always had a deep-seated hatred for drugs and have had a glorious tradition in waging antidrug struggles. New China was known in the world as a drug-free country for decades. We firmly believe that under the correct leadership of the party and government, as well as our superior socialist system and with the unreserved support of people of all nationalities as well as the concerted efforts of all quarters in society, this people's war on drugs will certainly win a complete victory. The people's goal of eradicating drugs must be attained!

At the rally, Qiu Chuangjiao, president of the Yunnan Provincial Higher People's Court, passed death sentences in accordance with the law on 35 criminals

involved in 22 major and serious drug-related cases. After the rally, all 35 convicts were taken to the execution ground where they were shot.

Five tons of confiscated drugs were burned in the presence of all at the rally.

After Yin Jun, provincial party committee deputy secretary, pressed a remote-control electronic ignition button, 60 big pots set up in the stadium's northeastern corner were engulfed in a raging fire in which all five tons of drugs were burned to ashes.

The provincial and city party, government, and military responsible comrades; responsible comrades invited from some fraternal provinces, municipalities, autonomous regions, and central departments concerned, and some State Council departments concerned to attend our provincial antidrug work conference; as well as comrades from various prefectures, autonomous prefectures, and cities, who were attending our provincial antidrug work conference, attended today's rally.

Today, some 14 prefectures and autonomous prefectures, including Dehong and Wenshan, also held rallies at which a batch of criminals involved in drug-related crimes were severely punished in accordance with the law and confiscated drugs were burned.

Press Head Urges Illegal Publications Crackdown

*HK3110014491 Beijing CHINA DAILY in English
31 Oct 91 p 3*

[Report: "Measures To Prevent Illegal Publication"]

[Text] China's top publishing official is calling for a further crackdown on all illegal publishing activities and for a halt in the publication of pornography which had made a recent comeback.

Song Muwen, head of the State Press and Publication Administration, also urged the country's 500 publishing houses to produce more high quality books and magazines to enter the popular reading market currently contaminated with low-taste and even pornographic publications.

Publications featuring pornography and excessive violence are prohibited in China, but they appear to be making an unbridled comeback, following crackdowns in the past two years, Song told a national meeting on tightening control over publications which ended on Monday.

Out of the 140 publications banned this year in Shaanxi Province, 129 have been published illegally without State licences and publication approval and the province has also uncovered nine major criminal cases involving illegal publishing activities, reported Legal Daily.

It is estimated that there are more than 600 million regular readers who purchase and read books and magazines for information and pleasure.

The huge profits have lured publishers of periodicals featuring pornography and excessive violence to rack their brains for ways to evade penalties even though the State is tightening control over this type of publication.

They bring their periodicals as close to pornography as possible without quite crossing the line, thereby avoiding confiscation and a business shutdown. Others cross the line, confident that huge profits will outweigh the penalties.

The 165 or so popular literature periodicals in China represent less than 3 per cent of the country's total periodicals, but their circulation is disproportionately high.

The penalties stipulated in the publication regulations include public criticism and warnings, fines, confiscation of illegal earnings and copies, business closure and loss of licence.

Song called for cases of illegal publications to be investigated promptly and for those responsible in publishing and printing houses to go under court trial.

Daily Relates Shandong's Antipornography Efforts

HK0111051091 Beijing RENMIN RIBAO in Chinese
21 Oct 91 p 4

[By Song Xuechun (1345 1331 2504) from Jinan: "Shandong Province Cracks Down on Pornographic Publications"]

[Text] In the last few months, Shandong achieved marked results in the actions of cleaning up the publications market and checking illegal publishing activities.

According to incomplete statistics, the whole province banned 426 stalls that sold publications and audio and video tapes without business licenses; confiscated more than 210,000 copies of harmful or illegal publications, including 1,105 pornographic books; and confiscated more than 15,000 audio or video tapes which were duplicated, transported, and sold illegally, including 55 pornographic tapes.

In the course of cleaning up the publications market and banning illegal activities, various local authorities throughout the province ferreted out many secret places for producing and distributing such illegal publications and cracked a number of major cases. At present, administrative penalties have been meted out to 158 units and individuals in the entire province and 33 criminals have been detained and will be brought to court for criminal trial.

National Meeting on Spiritual Civilization Ends

OW0311012191 Beijing XINHUA Domestic Service
in Chinese 1426 GMT 30 Oct 91

[Text] Jinan, 30 Oct (XINHUA)—A national discussion conference on the drive to develop spiritual civilization ended today. The conference decided to further intensify ideological and moral development, and raise to a new level the drive to develop spiritual civilization.

The seven-day conference was held in Yantai, Shandong. The conference maintained that the drive to develop spiritual civilization is a long-term systematic project. It is necessary to closely combine systematic education with mass activities to achieve solid results in the development of spiritual civilization.

Since last year, the drive to develop spiritual civilization has caught the attention of all levels of party committees, governments, and pertinent departments. In carrying out the drive, various localities have intensified ideological and moral development, encouraged extensive participation of the masses, and received marked results.

Xu Weicheng, executive deputy head of the Propaganda Department of the party Central Committee, attended the conference. He said: Raising the ideological and moral quality of the entire population and their scientific and educational levels, and cultivating a new socialist generation that has ideals, morals, education, and discipline are fundamental tasks in the development of socialist spiritual civilization. He urged all localities and pertinent departments to further heighten ideological and moral education in carrying out the drive to develop spiritual civilization, and make such education a solid, regular, and systematic part of the effort.

Regarding stepping up the construction of facilities, Xu Weicheng said: In addition to building traditional facilities such as libraries and activity rooms, efforts should be made to extend the educational coverage by making better use of hotels and trains where the itinerant population concentrate, and turning them into useful places for spreading spiritual civilization.

Xu Weichang pointed out: The drive to develop spiritual civilization should be integrated with economic work in a more efficient way, and serve the central task of economic construction by creating a favorable environment for economic construction through various activities.

Attending the conference were more than 100 responsible comrades of spiritual civilization offices from various provinces, autonomous regions, municipalities, and cities with provincial-level economic decision-making authority.

Jiang Zemin Inscribes Title of TV Film

OW0311113491 Beijing XINHUA Domestic Service
in Chinese 1050 GMT 1 Nov 91

[By reporters Dou Guangsheng (4535 1639 3932) and Hu Qinghai (5170 3237 3189)]

[Excerpts] Beijing, 1 Nov (XINHUA)—A meeting on "Turning the Tide"—a television film on flood-fighting and relief efforts—was held this morning at the Great Hall of the People.

General Secretary Jiang Zemin inscribed the title of the documentary television film. The film was organized by the General Office of the Propaganda Department under the party Central Committee and the Propaganda

Department of the Shenzhen city party committee, and was filmed in Anhui, Jiangsu, Hubei, Henan, and other areas severely devastated by floods. It employed large amounts of vivid shots and actual, valuable material to give an authentic depiction of the noble, grandiose efforts to fight floods and bring relief to victims.

The meeting was presided over by Yang Zhenhuai, minister of water resources. After viewing the film, comrades at the meeting all held the film is very moving and real, excellent for teaching patriotism, collectivism, and socialism. They also noted that it is a good film worthy to be seen by every party member and cadre. [passage omitted]

The meeting was jointly held by the Propaganda Department of the CPC Central Committee, the China Committee of the International Decade for Natural Disaster Reduction, the State Flood Control Headquarters, the Ministry of Water Resources, and the Ministry of Civil Affairs.

Li Peng Inscribes Flood Exhibit; Leaders Attend

OW0111061691 Beijing XINHUA Domestic Service
in Chinese 1143 GMT 29 Oct 91

[By reporter Zhou Lixian (0719 4539 2009)]

[Text] Beijing, 29 Oct (XINHUA)—“The Mainstay—An Exhibition of Photographs Recording Actual Events in China’s Flood Fighting and Relief in 1991,” a record of flood fighting and relief efforts carried out by China’s Army and people, opened at the Chinese Museum of Revolutions today.

Premier Li Peng inscribed the title of the exhibition, and Vice Premier Tian Jiyun wrote a preface for the exhibition.

Li Ruihuan, Tian Jiyun, Yang Baibing, and Liao Han-sheng attended the opening ceremony and presented awards to some of the composers who won prizes.

Since the beginning of the summer, some regions in our country have been stricken by serious flood disasters. During our fight against flooding and while we were carrying out relief work, a vast number of press photography workers and amateur photographers, cameras in hand, braved hardships and went to the front line of flood fighting and relief to record valiant struggles and heroic and moving deeds of the Army and the people. The more than 300 compositions exhibited were selected from those 6,000 sent by 1,700 composers. Over 70 of these 300 compositions won awards, including those of “General Secretary Jiang Hurrying to Disaster-Hit Zones,” “30,000 Soldiers and Civilians Fought Bravely To Defend Yangzhou City,” “Close Relations Between Fish and Water,” “Saving the People From the Jaws of Death,” and “Communist Party Members at the Front Line of Flood Fighting.” These [passage indistinct] unselfish donations to disaster-hit regions by compatriots of Hong Kong, Macao, and Taiwan; Overseas

Chinese; and the international community reflect the important roles of major water conservancy facilities in combating flood disasters.

This exhibition is sponsored by the China Committee of the International Decade for Natural Disaster Reduction, the State Flood Control Headquarters, and the Ministry of Water Resources.

Jiang Zemin, Others Donate to Book Campaign

OW0311163291 Beijing XINHUA Domestic Service
in Chinese 0835 GMT 1 Nov 91

[“Feature” by reporter Hu Xiaomeng (5170 2556 1125):
“Endless Love”—XINHUA headline]

[Text] Beijing, 1 Nov (XINHUA)—Green trees stand against red walls. Autumn is everywhere.

The time was 0805 on 1 November. The place was in front of Huairan Hall in Zhongnanhai. Six trucks carrying 420,000 books slowly set out on their journey as the crowd standing around waved their good-byes.

The campaign to “donate some books with love,” sponsored by the Communist Youth League [CYL] Committee for Organs Under the CPC Central Committee, culminated at this point. The deep love of the more than 40,000 people working in organs under the party Central Committee will accompany the books to reach the hearts of young people living in old revolutionary areas and impoverished places in Shanxi, Hebei, and Shandong.

The two-month-old campaign not only received the active participation of massive numbers of CYL members and cadres working in organs under the party Central Committee but also that of central leading comrades. In their capacity as ordinary staff members of organs under the party Central Committee, these leading comrades donated books with autographs or inscriptions of encouragement. Twenty-six party and state leaders—including Jiang Zemin, Yang Shangkun, Li Peng, Wan Li, Li Xiannian, Deng Yingchao, Qiao Shi, Yao Yilin, Song Ping, Li Ruihuan, and Wang Zhen—donated large amounts of books.

On 25 October, the day before he set off for a visit to Pakistan, President Yang Shangkun learned about the book donation campaign for young people in old revolutionary areas. He immediately instructed his aides to select books, and he sent more than 280 books suitable for the reading of rural young people to book collection points the next morning.

Big Sister Deng Yingchao enjoined her aides to participate in the book donation campaign, and a total of over 200 books were donated.

Though advanced in age, Xi Zhongxun, vice chairman of the National People’s Congress Standing Committee, and his wife personally selected and donated 690 books suitable for the reading of rural young people.

Comrade Xu Nuo of the Central Party History Research Center, more than 80 years old, is a veteran revolutionary from the Yanan era. Upon learning about the book donation campaign for old revolutionary areas, he promptly chose some 50 books, wrote encouraging words in each one, and donated them in person.

Li Peng, Qiao Shi, Wang Zhen, Bo Yibo, Chen Pixian, and others autographed or inscribed the books they donated.

Within a short period of two months, 35,000 staff members and workers of organs under the party Central Committee donated a total of 420,000 books. These books carry their love and respect for people in old revolutionary areas. They also carry central leading comrades' care and hopes for the young generation in old revolutionary areas.

At today's send-off ceremony in front of Huairan Hall, Li Yan, deputy secretary of the Work Committee for Organs under the CPC Central Committee, asked the comrades riding with the donated books to convey the high respect and cordial regards of the massive numbers of staff members and workers in organs under the party Central Committee to people in old revolutionary areas.

The trucks—draped with banners carrying messages such as "Salute the People in Old Revolutionary Areas" and "Carry on Revolutionary Tradition"—drove out of Zhongnanhai in single file.

There is a limit to the books donated, but there is no end to the love for people in old revolutionary areas.

State Education Commission on Top Books for Youth

OW0311053891 Beijing XINHUA in English
2345 GMT 2 Nov 91

[Text] Beijing, November 3 (XINHUA)—The book *Reminiscences of the War Against U.S. Aggression and Aiding Korea* is included in the top ten list of books most liked by China's middle school students.

Liu Bin, vice-minister of State Education Commission, announced the list Saturday at the conclusion of the fifth national reading competition among middle school students.

Also included in the list were *The Book Series on Patriotic Education*, *Well-Known Chinese Personages on Childhood*, *Endless Road*, *Dialogue With Contemporary Middle School Students*, *Five Thousand Years of Culture*, *Mathematics and Philosophy*, *Secrets of Inventions*, *The Book Series on Children's Scientific Activities* and *Letters to My Daughter*.

Liu said the list shows that the main trend in the reading habits of middle school students is to seek information regarding their revolutionary forefathers and exploring the secrets of the world of science. He urged publishers to produce more and better books for middle school students in order to satisfy their demands for quality and quantity.

The reading competition was organized by the language magazine and five other organizations, including the Central Committee of the Communist Youth League of China and the State Education Commission. Since the competition began in October 1990 an estimated one million middle school students have participated in the activities.

Meeting Commends Advanced Cultural Workers

OW3110082191 Beijing XINHUA Domestic Service
in Chinese 1309 GMT 30 Oct 91

[By RENMIN RIBAO reporter Yuan Xi (5913 2522) and XINHUA reporter Shao Jianwu (6730 1696 2976)]

[Text] Beijing, 30 Oct (XINHUA)—The national meeting to commend advanced areas and collectives in carrying out cultural work, as well as advanced workers of the cultural front throughout the country, opened today in Beijing.

The meeting is convened jointly by the Ministry of Culture and the Ministry of Personnel with the approval of the State Council. It is the largest commendation meeting on the cultural front with the largest number of cultural workers being commended since the founding of New China.

Members of party and government organizations responsible for carrying out cultural work in 54 advanced areas, representatives of 153 advanced collectives of cultural work, 260 advanced workers of the cultural front, and a number of national models and advanced workers of the cultural front attended the meeting. They include artists of the older generation who have made outstanding achievements, rising stars in recent years in the arts field, and many common cultural workers who are unknown to the public but have been working hard in the cultural field for many years.

Gao Zhanxiang, vice minister of culture, presided over today's meeting. He described this meeting as "a general review of achievements in cultural work and the performance of cultural workers in the new period, especially since the convocation of the Fourth Plenary Session of the 13th CPC Central Committee, as well as a general mobilization of our country's cultural front in implementing the guidelines of the speech made by General Secretary Jiang Zemin on '1 July' and in building socialist culture with Chinese characteristics under the new situation."

He Jingzhi, acting minister of culture and deputy head of the Propaganda Department of the CPC Central Committee, and Cheng Lianchang, vice minister of personnel, attended and spoke at today's meeting. He Jingzhi said: The advanced units and people being commended today are models in consciously implementing the lines, principles, and policies of the Third Plenary Session of the 11th CPC Central Committee and the Fourth Plenary Session of the 13th CPC Central Committee; are models in adhering to the four cardinal principles, reform, and opening up policy; are models in working hard, making selfless contributions, uniting with others in their struggle, and serving the people wholeheartedly; and are models in

firmly grasping the two civilizations. The broad masses of cultural workers should all learn from them their fine ideology and character, mental quality, style, and work experience. It is essential to foster a custom of learning from and catching up with advanced workers, of supporting healthy tendencies, and of driving out evil trends on the cultural front. Meanwhile, we should further carry forward the good style of being modest and prudent, and of guarding against arrogance and rashness in the face of achievements and honor, so that our cultural ranks can make constant progress and our work will develop further.

Jiang, Others Receive Delegates

OW0211075291 Beijing XINHUA Domestic Service
in Chinese 0455 GMT 1 Nov 91

[By reporters Shao Jianwu (6730 1696 2976) and trainee Tong Dan (0157 0030)]

[Text] Beijing, 1 Nov (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee; Li Ruihuan, member of the Standing Committee of the Political Bureau under the CPC Central Committee; Li Tieying, member of the Political Bureau under the CPC Central Committee and state councillor, and others met with all delegates to a national meeting to commend advanced cultural work areas, collectives, and advanced workers from the nation's cultural system this morning at the Great Hall of the People in Beijing.

After the meeting, Li Tieying, He Jingzhi, Xu Zhijian, Gao Zhanxiang, Cheng Lianchang, Xu Wenbo, Chen Changben, and others attended a prize-award meeting.

Approved by the State Council, the Ministries of Culture and Personnel have decided to confer the titles of "national cultural work advanced areas" to 54 areas, including Beijing's Chongwen district; of "national cultural work advanced collectives" to 153 units, including the cultural center at Ninghe County's Panzhuang village in Tianjin; and of "advanced workers from national cultural system" to 260 comrades, including Peng Yi, Zhang Taiping, A Jia, Sha Ra Li [names as received].

The Ministries of Culture and Personnel urged these advanced areas, collectives, and workers to keep up a modest and prudent work style, guard against arrogance and impetuosity, uphold honors, do a still better job, and make greater contributions. The ministries also called on cultural workers in the nation to learn from advanced collectives and workers and help make our undertaking take deep root in the great earth of China. Finally, the ministries appealed to all cultural workers in the nation to be modernization-minded, have a world outlook, look forward to the future, strive hard to help people raise their ideological levels and enhance their moral character, improve the quality level of science and culture, promote the development of socialist material and spiritual civilizations, and help create an epoch-making socialist culture with Chinese characteristics.

Li Tieying Addresses Art Festival Meeting

OW0411092291 Beijing XINHUA Domestic Service
in Chinese 0846 GMT 3 Nov 91

["The First Plenary Session of the Organizing Committee for the Third Art Festival Opens in Beijing (by reporter Shao Jianwu (6730 1696 2976))"—XINHUA headline]

[Text] Beijing, 3 Nov (XINHUA)—The first plenary session of the Organizing Committee for the Third Chinese Art Festival was held in the Great Hall of the People in Beijing today.

Wan Li, chairman of the Standing Committee of the National People's Congress, acted as honorary chairman of the art festival, while State Councillor Li Tieying acted as chairman. Ngapoi Ngawang Jigme, Seypidin Aze, Liao Hansheng, Yang Jingren, Pagbalha Geleg Namgyai, and Ismail Amat acted as advisers. He Jingzhi, Wu Jinghua, and He Zhiqiang acted as vice chairmen. Gao Zhanxiang acted as chairman of the Organizing Committee, and Liu Ronghui, Chen Changben, Jiang Jiafu, Zhu Li, Liang Jinquan, Wang Guangxian, Zhao Tingguang, Chen Liying, and Wang Tingchen acted as vice chairmen of the Organizing Committee.

Gao Zhanxiang, Wu Jinghua, and Chen Liying gave briefings on preparations made for the art festival.

Li Tieying and Seypidin Aze attended today's meeting and spoke. After having made detailed inquiries about various activities to be conducted during the art festival, Li Tieying stressed the necessity of paying close attention to conducting mass activities during the art festival. He said: Participation in the activities by the people will be symbolic of the art festival's success. In this respect, the Asian Games and the recent charity performances sponsored to provide disaster relief for flood victims have offered their successful experiences to us. On the one hand, the significance of our sponsoring the art festival is to promote flourishing creative literary works and develop other cultural undertakings as well as popularize our national culture; on the other hand, the event is also sponsored to inspire the spirit of nationalism and enhance the rallying power of the Chinese nation. Therefore, all relevant departments must mobilize the masses to participate in various activities of the art festival and organize theater troupes to go down to the grass-roots units and give performances for their entertainment, thereby satisfying the growing cultural demands of the masses and promote the building of socialist spiritual civilization.

Meanwhile, Li Tieying also called on all press propaganda departments to give wide publicity to various activities of the art festival and intensify reports and propaganda of the development of literature, art, and various other undertakings of all nationalities in a bid to enable the art festival to achieve the maximum social benefits.

The Third Art Festival will be held in Kunming, Yunnan on 18 February 1992. The art festival will mainly exhibit

the art of minority nationalities and focus on demonstrating the new achievements in culture and art scored by all nationalities as well as the spirit and features of the big socialist family of our country with a multitude of nationalities in their common progress achieved in recent years under the leadership of the CPC. Activities of the art festival will include 36 theatrical performances, six large-scale cultural activities with the participation of the masses, and seven exhibitions on special topics. In addition, four foreign theater troupes are also scheduled to give performances during the art festival.

Among those who also attended today's meeting were He Jingzhi, Xu Ruixin, Xu Zhijian, Jiang Jiafu, Zhu Li, and Zhao Tingguang.

Li Xiannian Inscribes Inkstone Exhibition

OW0311054291 Beijing XINHUA Domestic Service
in Chinese 0905 GMT 1 Nov 91

[Excerpt] Beijing, 1 Nov (XINHUA)—An exhibition of the Langya inkstones, which are produced in Shandong's Linyi Prefecture, opened today at the China Industrial Arts Center.

Peng Chong, vice chairman of the National People's Congress Standing Committee, cut a ribbon to open the exhibition. Wang Ping, Liu Lantao, Chen Xilian, Yang Chengwu, and Rong Gaotang, as well as people of various circles of Beijing, visited the exhibition.

Li Xiannian, Wang Renzhong, Zhao Puchu, and Qi Gong wrote inscriptions for the exhibition. [passage omitted]

NPC's Wan Li Inscribes Name of Bridge

OW2910194091 Beijing XINHUA Domestic Service
in Chinese 0924 GMT 29 Oct 91

[By reporter Xu Jinglong (6079 0079 7893)]

[Text] Hangzhou, 29 October (XINHUA)—After 42 months of arduous construction work, the Second Qiantang Jiang Bridge—a key railroad project dubbed the strategic "East in China"—was successfully connected this morning. This signals the completion of the bridge's main body. It also augurs the impending "honorable retreat to the second line" in peace of our country's historically famous old Qiantang Jiang Bridge after 55 years of extended and overused services.

Construction of the Second Qiantang Jiang Bridge began in April 1988. It is a dual-purpose bridge with parallel lanes for automobiles and trains. The section carrying the highway is 1,792.8 m long, while that bearing the railway is 2,860.8 m long. To ensure smooth and comfortable driving, the bridge proper is supported by concrete trusses with 18 open spaces totaling 1,340 m—the longest in the nation and almost unrivaled in the world. The Second Qiantang Jiang Bridge is situated 13 km downstream from the old bridge—just where the tidal waves in the Qiantang Jiang rise in what is described as

a "miraculous spectacle in the world." It is the first time in China's bridge construction history that a bridge has been built over a tidal area.

Construction of the Second Qiantang Jiang Bridge can eliminate the traffic "bottlenecks" in eastern China. It will also create a new scenic spot and open up a tidal watch site in Hangzhou—a city well-known for its scenery and cultural heritage.

Wan Li, chairman of the National People's Congress Standing Committee, inscribed the characters "Second Qiantang Jiang Bridge"—the bridge's name. Vice Minister of Railways Sun Yongfu and Zhejiang Provincial Vice Governor Chai Songyue attended the bridge linkup ceremony.

Relationship Between Employment, Education Viewed

HK2310025291 Beijing GUANGMING RIBAO
in Chinese 29 Sep 91 p 3

[By Tang Xiaoping (0781 1420 1627): "Employment Is Important Factor Affecting Decision on Personal, Family Education"]

[Text] Modernized production suggests that reproduction is not simply the duplication of human bodies and their physical strength, but is the reproduction of all kinds of human qualities. On the precondition that basic living conditions are guaranteed, the workers' intellect is the most important component of their reproduction, whereas education is an indispensable condition for the reproduction of their cultural quality and an important means for improving their intellect. In this sense, education and employment are closely related.

In China, employment is a comprehensive concept involving position, salary, benefits, housing, working conditions, physical work, mental work, and transfer from agricultural to nonagricultural domiciles. These have direct bearings on the work, life, social contribution, and self-realization of the one educated. Therefore, the relations between employment and education manifest themselves more closely and directly in individuals and their families. How does employment affect the policy on individual and family education? In this article, I would like to explore this question.

The length of education (common education). Generally speaking, the longer the educational period, the easier it is to find a job, and the higher the wages. There is a direct ratio between educational expenditures and the length of the period of education: the longer the educational period, the more educational expenditure is required. When wages are reasonable, an individual will calculate the educational expenditure and the benefit he will gain after education and compare the educational cost with the income he will earn from work if he gives up the opportunity to receive an education. If the income after education cannot outstrip the educational expenditure, his family will not let him go to school, but to work instead.

In a developing country, a family or an individual (maybe without any judgment ability) receiving education usually compares the educational cost with future income on the basis of immediate interests. This is quite common in rural areas. Generally speaking, when a family has a low income and many children, its educational cost directly affects its living expenditure. Therefore, if a child can go to work earlier and gain a certain income for the family, the family will give up his education opportunity, because immediate income will help meet the family's living expenditures. From this analysis, we understand the main cause of discontinuation of schooling in different localities, particularly in rural areas.

There is a situation contrary to this. Some families encourage or force their children to go to school, and the one who receives education also understands the importance of study. This finds expression in cities, where the educational period determines individuals' employment opportunities, work positions, housing, and wages. Therefore, urban families generally allow their children to receive more education.

Orientation and specialization of education (all forms of specialized education). The choice of subjects to study will have a direct bearing on individuals' employment opportunities and wages. We should admit that material conditions and environment have important impacts on workers' futures. But in the not too distant future, following the implementation of distribution according to work, more and more people will pay attention to their professionalism and to displaying their ability; they will not be too particular about the ownership system of the department in which they will work, or where this department is located.

But because development in China is imbalanced, the external environment we are facing is not ideal. For example, the labor force market is not perfect and distribution according to work has not been genuinely practiced. Such being the case, people will cautiously select the subjects to study—subjects which the state needs, subjects in which they are interested, and subjects which will provide good prospects. For example, when there is a big demand for professionals in society, people will judge the degree of shortage and employment prospects and decide which professional courses to take; even if there is strong contention for a certain professional course, people will still join this contention if the course lead to high pay and good working conditions in the future.

Decision on whether to continue one's education. An educated person will use his knowledge and skills he learned to serve society. But following technological progress and the modernization of management, what one learned in the past may become outdated, thus requiring studying new things, updating knowledge, and renewing skills. Otherwise, one will either lose one's job or become unimportant in work. Under these circumstances, those who already have jobs will take all possible opportunities to study to acquire better qualifications to

cope with new requirements in society. But if management is imperfect and the price system irrational, and if the original skills are good enough to make a living, the relevant wage earner will have no impetus or pressure for study and will thus find it unnecessary to study.

In a sense, adult education, except for illiterates, is a kind of continuous education which helps improve wage earners' original knowledge and skills. In modern society, continuous study and updating of knowledge is a matter accompanying an educated person throughout life. But employment pressure is the most important factor which makes continuous education necessary.

Article Views Housing Reform Progress

HK2910054191 Beijing JINGJI CANKAO BAO
in Chinese 15 Oct 91 p 1

[Article by JINGJI CANKAO BAO reporter Zhang Jinsheng (1728 6930 0524): "Housing Reform: There Is Still a Long Way to Go; Persistent Effort Is Key to Success"]

[Text] Twelve years ago, when millions of Chinese urban residents first heard the strange term "housing reform," a grim reality faced the government and the people: The average living space for urban residents was only 3.6 square meters. This pitiful figure revealed the serious shortcomings which had long existed in our country's welfare-like housing system, which was characterized by low rent and high subsidy and was almost free of charge. In April 1980, the leading comrades among the central authorities proposed an overall concept for housing reform: It is necessary to ponder a series of policies for construction and distribution of houses in cities; individual urban residents can buy houses and not only new houses can be sold, old houses can also be sold; and rent must be adjusted according to house price, to let people feel that it is cheaper to buy a house. This concept pointed out the direction for housing reform in our country.

Although we have encountered various difficulties, over the past 12 years, our country's housing reform has never ceased to proceed firmly, scoring marked practical results. Twelve cities and 13 counties have implemented overall and coordinated reform plans and more than 300 towns have implemented single reform items. Yantai, Tangshan, Bangbu, and a number of other reform experiment cities have implemented housing reform plans and the progress has been good. Yantai changed from empty talk to actual change; Tangshan started from actual change and took only two steps to increase rent; and Bangbu is in the condition of "being empty and actual" and is actively preparing to begin thorough actual change. Stimulated by the reform experiment cities, in the past three years the housing reform sphere has spread from a small number of medium cities to county seats on the one hand and to big cities like Beijing, Shanghai, Guangzhou, Chengdu, Taiyuan, and Chongqing on the other.

The significance of housing reform is not confined to how many houses have been sold or by how much rents

have been increased. More importantly, it has a profound impact on the socioeconomic life, or even political life, in our country:

—It changed the people's old concept of "relying on ourselves for food and clothing and on the state for housing," and the concept of commercialized housing gradually spread to millions of households. Some new concepts, which are in accordance with the law of socialist commodity economy, such as judging one's own financial ability when looking for accommodation, rational consumption, and the concept that purchasing a house can provide accommodation and is itself an investment to guarantee value, are becoming more acceptable to people on a broader basis.

—It restrained the continually swelling irrational demand for houses and benefited correction of an unhealthy trend. Some reform experiment cities and some enterprise units greatly increased the rents for public housing, forming an obvious restraining relation between expenditure on housing and the level of income among staff. After implementing housing reform in Tangshan City, a total of 1,066 unduly occupied flats have been retrieved and 1,934 households have changed from big to smaller apartments. In Yantai City, the unit area of houses was reduced by 5 square meters on average, saving 25 million yuan which can be used to build 600 flats.

—It secured a foothold on changing the use of the currently available funds and established a three-tier housing fund comprising cities, units, and individuals, while some property right units began to embark upon the track of a good cycle of input and output. Some 95 and 85 percent respectively of the units in Yantai and Bangbu have already established housing funds systems; Shanghai Municipality's provident fund system can raise funds amounting to 650 million yuan annually.

—The pooling of funds for cooperation in building houses has been launched, construction has been speeded up, and housing standards have been improved. For example, the housing cooperatives in 30 cities such as Beijing, Shenyang, Wuhan, and Shanghai have scored marked results in solving the difficulty in housing for the staff.

At the end of 1990, average living space in our cities had increased to 7.1 square meters and a World Bank inspection report made the following remarks: Even judged by international standards, China's achievements in building residential houses constitutes a record. However, our country's housing reform is still at an initial stage and the conflict between supply and demand in housing in cities has not been basically solved. We still face the following difficulties:

At present, in cities across the country we still have 8 million households which have no houses or have housing difficulties.

In the whole country, among the urban households with housing difficulties there are 500,000 households facing extraordinary housing difficulties with per capita living space of less than 2 square meters.

In the cities across the country, there are 50 million square meters of dangerous buildings as well as 600 million square meters of premises built before liberation, or built crudely in the 1950's and the 1960's, which must be rebuilt.

Urban population increases by 10 million annually and every year 2 million newlywed couples need houses.

Solving the housing problem is not only an economic problem. It is also a political problem, and we should not take it lightly. A survey by the State Statistical Bureau indicates that 50.1 percent of staff urgently demand solving and improving their housing conditions, ranking the problem first among the nine problems which badly need solutions. A survey by Beijing Municipality is more acute: Of the residents who are dissatisfied with the current housing system, 58.5 percent think that the "unreasonable distribution of houses causes unequal distribution of happiness and sadness," while 43.4 percent think that there is a "serious unhealthy trend in the domain of distribution of houses." We must therefore understand housing reform from the plane of the ties between the party and government on the one hand and people on the other, safeguarding social stability and unity, enhancing the cohesive forces among staff, and ensuring smooth progress in building the four modernizations.

Economic & Agricultural

Official on Import, Export Tariff Regulations

HK0211012091 Beijing ZHONGGUO XINWEN SHE
in English 1435 GMT 1 Nov 91

[Text] Beijing, November 1 (CNS)—The "Import and Export Customs Tariff Regulations", approved by the State Council, and coming into effect on January 1, 1992, employs the list of the "Coordination System of Names and Codes of Commodities" which is generally used in the international community, the Office Director of the Commission on Customs Tariff Regulations under the State Council, Mr. Zhou Fuji, said here today.

A notice issued by the General Administration of Customs stated that following the implementation of the new regulations, the Customs statistical list and the permit for administration on commodities will also employ the "coordination system" list.

Mr. Zhou made these remarks in an interview with this agency, adding that it meant that the Customs could adopt the same "coordination system" list in carrying out supervision, taxation and statistics on the import and export of commodities. The unification of codes, names of commodities, commodity scope and illustration is a major reform of the customs system which will be favourable for reinforcement of coordination between customs administration and

foreign trade administration as well as facilitating the upgrading of customs administration.

The significance of this important reform, according to Mr. Zhou, resided in several aspects. First, such a reform is favourable to the state by adequately making use of economic, administrative and legal means to strengthen macro-regulation and control over the import and export of goods which in turn will promote persistent, steady and well-coordinated development of the national economy. The "Import and Export Customs Tariff Regulations" which was formulated on the basis of the "coordination system" list enables the better embodying of state industrial policies and will suit the needs of reform and opening, fully exercising the macro-regulatory function that the customs tariff bears.

Second, the new regulations are favourable for the running and management of enterprises specializing in the import and export business as well as for the enlarging of foreign trade. As the listing of commodities in accordance with the new regulations is more detailed, scientific and reasonable, the state will find it easier to work out a reasonable tax rate for the import and export of various commodities in light of the state's industrial policies, thus enabling enterprises to bear a reasonable tax burden. Such new regulations will help improve the transparency of policies and wipe out misunderstandings regarding policies, both of which will be advantageous to the safeguarding of the interests and rights of enterprises as well as enabling them to make correct operational decisions.

Third, manpower and materials can be saved to a great extent through this reform which in turn can lead to higher efficiency. The unification of codes, names of commodities and commodity scope not only can improve efficiency, but also increase to some extent the reliability of analysis.

Fourth, the reform lays a solid foundation for customs operation. The adoption of the same commodity list throughout the entire process of handling the import and export of goods will be favourable for computerized administration by the Customs and for the promotion of automated customs declaration, upgrading work quality and efficiency, while at the same time taking customs operation to a new level. Simplification of internal procedures within the Customs will be beneficial for enterprises with the right to import and export.

Fifth, the reform will help smooth international exchanges. Following the adoption of the "coordination system, Chinese Customs will share similar commodity classification practices with many other countries, providing a convenience for international trade negotiations and especially for talks on the resumption of China's status in the GATT as well as for comparison of statistical data with other countries.

Foreign-Invested Enterprise Management Discussed

HK2810073691 Hong Kong WEN WEI PO
in Chinese 26 Oct 91 p 3

["Special feature" by staff reporter Chen Chien-ping (7115 1696 1627): "Improve Management of Foreign-Invested Enterprises"]

[Text] Beijing, 25 Oct—A source here said: With the continued deepening and development of China's reform and opening up to the outside world, foreign-invested enterprises have been increasingly growing in number. How to improve and perfect the related rules and regulations to protect the legitimate due rights and interests of foreign businessmen and the Chinese mainland has always been a task carried out by the departments concerned on the mainland. In view of the fact that recently tax evasion has been relatively serious among the foreign-invested enterprises on the mainland, state tax departments deemed it necessary to redefine the connotations of the principle of "light tax burden, special inducements, and simplified procedures" previously applied to the foreign-invested enterprises.

60 Percent of Foreign-Invested Enterprises in Shenzhen Evade Taxation

According to statistics, by the end of June this year, the number of the state approved foreign-invested enterprises was 35,000, of which some 15,000 had started operation. Last year foreign-related tax revenue amounted to 5 billion yuan and this year the figure is expected to surpass 6 billion yuan, or about 2 percent of the nation's tax revenue. According to a calculation of state tax departments, with the expiration of the foreign-invested enterprises' tax holiday period, in the two or three years to come, the foreign-related tax revenue will top the 10 billion yuan mark. Nevertheless, judging from the recent reports submitted by various provinces and municipalities, tax evasion among foreign-invested enterprises is relatively serious. Take the Shenzhen Special Economic Zone in Guangdong Province, for example. The foreign-invested enterprises involved in tax evasion constitute 60 percent of the city's total such enterprises.

All Sorts of Means Employed To Evade Taxation

In view of the situation, the State Council conducted a special investigation. The means adopted by foreign-invested enterprises to evade taxation are many but the most basic one is transfer of profits through marketing links. Because in a foreign-invested enterprise, the purchasing and marketing power is mainly in the foreign partner's hand, in many cases, he reaps high profits in the circulation links by adopting the method of purchasing raw and semifinished materials at a high price and exporting finished products at a low price, thus reducing the enterprise into an enterprise producing meager profits or no profits at all and even a loss-making one. In fact, there was a strange phenomenon among the foreign-invested enterprises under investigation, that is,

while the enterprises suffered losses in operation every year, their production scope swelled year after year. Moreover, some of them evaded taxes and appropriated the state's legitimate due interests by resorting to such illegal means as offering bribes, writing bad checks, and using short customs declarations, documents of settlement of exchange, and forged bills.

This being the case, state tax departments have recently stated: The principle of "light tax burden, special inducements, and simplified procedures" previously applied to foreign-invested enterprises is necessary and has produced desired results. Hence, it should be affirmed. Nevertheless, judging from the practice over the last few years, the principle should be defined more accurately and improved so that it can better help reform and opening up to the outside world develop along the path of a sound legal system.

Procedures for Giving Special Inducements in Tax Burden Should Be Redevised

State tax departments held: In implementing the aforesaid principle, attention should be paid to the following main points: Light tax burden and special inducements are mainly given to the projects whose import is completely in line with China's current industrial policy, such as productive projects and projects able to turn out products which are in short supply and badly needed in China. Those nonproductive projects whose supply exceeds demand in the country will not be given such preferences.

Regarding the question of simplified procedures, the previous practice of asking tens of official stamps for the completion of a thing should naturally be improved. However, in the days to come, instead of being simplified, the enterprises' financial statements and reports, tax registrations, and tax returns should be strengthened so that government supervision will become more effective.

Imports, Exports Up in First Three Quarters

HK0411025791 Beijing JINGJI RIBAO in Chinese
18 Oct 91 p 1

[By Huang Songping (7806 1345 1627): "China's Gross Import-Export Volume Approaching \$100 Billion in First Three Quarters of This Year"]

[Text] According to Customs Department statistics, China's aggregate import and export value amounted to \$92.75 billion in the first three quarters of this year, an increase of 19 percent over the same period of last year. Of this total, exports amounted to \$49.49 billion, an increase of 19.5 percent, and imports \$43.25 billion, an increase of 18.5 percent. Deducting the amount of gratis aid, donations, raw materials provided for processing, and investments by foreign-invested enterprises, China's export volume was \$40.29 billion and its import volume was \$31.21 billion, the former outstripping the latter by \$9.08 billion.

From the first to third quarter, ordinary exports amounted to \$26.26 billion, an increase of 11.8 percent, and the exports of commodities processed from materials provided by foreign countries amounted to \$13.41 billion, an increase of 34.9 percent. Main export commodities registering increases were: Raw oil, cement, coal, medicine, cotton yarn, cotton cloth, cotton-polyester fabrics, rayon, household ceramics, carpets, steel, canned food, cotton, cashmere, vegetables, fashion items, shoes, toys, tools, television sets, electric fans, and bicycles; whereas the exports of marine products, tea, medical herbs, and pure silk dropped. Ordinary imports amounted to \$20.1 billion, an increase of 10.3 percent, and the imports of raw materials for commodity manufacturing amounted to \$9.51 billion, an increase of 42.2 percent. Import commodities registering increases were: Logs, paper pulp, synthetic fibers, synthetic flannel, lambswool, iron sand, raw oil, refined oil, noncooking vegetable oil, caprolactam, medicine, chemical fertilizers, paper, and paperboard. A decrease was registered in the imports of wheat, sugar, cooking vegetable oil, steel, refrigerators, television sets, video recorders, cameras, and motorcycles.

From the first to third quarter, gratis aid and donations from foreign governments and international organizations amounted to \$130 million, an increase of 8.6 percent. Donations from Overseas Chinese, Hong Kong and Macao compatriots, as well as Chinese of foreign nationalities amounted to \$140 million, an increase of 130 percent.

Guangzhou Fair Transactions Exceed \$6 Billion

HK3110013691 Beijing CHINA DAILY in English
31 Oct 91 p 2

[By staff reporters Li Zhouyan, Liu Hong: "Fair Closes With an All-Time High"]

[Text] Guangzhou—After 15 days of lively bargaining, the 70th Guangzhou Commodities Fair ended yesterday with transactions totalling \$6.073 billion, exceeding both last autumn session's \$5.7 billion and this spring session's \$5.74 billion.

"Thanks to abundant supplies of goods, better quality and trading order at this far, we have achieved the best results in the 35-year history of the fair," said the spokeswoman for the fair organizers.

Ceramics, glassware, tableware, tea leaves, motorcycles, colour and black and white TV sets, telephones, microphones, Chinese traditional herbs and medicines, bicycles, sewing machines, containers, cement, deep-frozen vegetables, meat products, and garments were in the long list of best sellers.

Over 45,400 guests representing foreign buyers from 129 countries and regions visited the fair, the spokeswoman said.

Of that, 24,949 came from Hong Kong, 3,862 from Taiwan, 3,111 from Japan, 2,777 from the United States and the rest from some European, African, Southeast Asian and Oceanian countries.

The long-time dispute between China and the United States on China's MFN [Most Favored Nation] status seemed to have little negative impact on exports to the States at the fair, sources said.

The 2,777 American visitors to the fair were more eager to buy than ever before, sources said.

By Monday, they had contracted to buy over \$200 million of textiles, a 100 percent jump over last autumn session's \$100 million. Their purchases of chemical and light industry goods also increased.

The hefty growth in textile purchases by American business people was prompted by their concern over China's Most Favoured Nation status, according to some American visitors to the fair. They wish to import large amounts while these Chinese products still enjoy favourable tariffs under the MFN status, some American business people said.

The contracts show that most textile products ordered will be delivered between January and March next year. The American government each year reviews China's MFN status beginning June.

At this session, Chinese exporters' efforts to open new markets had already been noticeable, he said.

The country has decided to explore a more diversified market in the Soviet Union, other east European and African countries and China's neighbouring countries.

The Cereals, Oils and Foodstuffs Trading Delegation sold for the first time some of their products to Indonesia, Singapore, Malaysia and Mexico.

Commentator Urges Better Securities Management

HK2810080491 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0724 GMT 20 Oct 91

[Commentary by Shi Chuan (4258 1557): "Management Over Issuance of Securities on Mainland Should Be Strengthened"]

[Text] Hong Kong, 20 Oct (ZHONGGUO TONGXUN SHE)—In recent years, the quantity of securities on the mainland has sharply increased and the market has become brisk. According to approximate statistics, up to the end of June 1991 the securities values of all kinds reached 250 billion yuan, and the volume of securities transactions exceeded 20 billion yuan. The securities craze is still in the ascendancy.

However, problems have continuously appeared. These have become more and more prominent because management of securities issuance and transactions has not kept pace with increases in securities issues and transactions.

As a financial tool, securities constitute an economic medium between the supplier of funds and the party demanding funds. However, at present, the types of securities on the mainland are not regular and standardized and do not have all the necessary factors. According to experts in the industry, the most prominent problem at present is that stocks are not clearly differentiated from bonds. There exist such confusing phenomena as "redeemable stocks" and "dividends issued to bondholders." This state of affairs has made it hard to guarantee the normal functions of securities.

At present, when deciding whether to raise funds through issuing securities, most enterprises on the mainland do not give full consideration to their own development plans and the development tendency of their production structures. They do not conduct feasibility studies and make scientific analysis and assessments of the relationship between the risks and benefits of fund-raising measures. So the issuance of securities is rather haphazard and reckless. Some enterprises may only want to enable their workers to gain the benefit of high interest or high dividends through issuing securities to them, while other enterprises may even try to make up for shortfalls in fulfilling their profit targets or in the payment of various levies through issuing securities to raise funds.

In addition, a large proportion of the new securities on the mainland were not issued through the market. In international practice, that newly issued securities are directly sold to the hands of investors in the process of issuing new securities is rarely seen. Normally, specialized intermediary institutions are responsible for the issuance of new securities in their capacity as subscribers or agents. However, all securities issuance on the mainland is conducted through the banks. This is the only form and channel. State bonds are mainly issued through financial departments in a compulsory administrative way. State bonds have advantages in yields and safety but their reputation has been affected by the long-standing administrative practice of compulsory imposition and poor mobility, and they were also disturbed by black market transactions. In order to start new projects and raise funds, some local governments used administrative means to order banks to act as the agents for local governments or enterprises issuing securities. However, there were no clearly designated guarantor units. When the securities expired, no exact amount of money was transferred to the account with the agent bank, and the bank had to pay with its own money. In reality, this became a loan. Such practices seriously disrupt the credit order.

Article Views Effort To Establish Futures Market

HK2310002591 Beijing XINHUA Hong Kong Service in Chinese 1743 GMT 12 Oct 91

[Commentary by Yan Wenbing (0917 2429 2430)]

[Text] Beijing, 12 Oct (XINHUA)—It has been a year since the Zhengzhou grain wholesale exchange, China's bold

attempt to establish a futures market, opened for business. During this period, more than 600,000 tons of grain and edible oil were traded through various means, including auctions and negotiated deals. At the same time, efforts were made to evolve toward medium- and long-term contracts dominated by spot wholesale trading.

Even though the normal volume of transactions on the Zhengzhou exchange can hardly be compared with the world-renowned Chicago Futures Exchange, the ability of the Zhengzhou exchange, a product of China's efforts to set up an operational mechanism which integrates the planned economy and market regulation, to stand firmly on its feet and achieve a contract performance rate of 90 percent has made an impact all over the country.

Today, the "Zhengzhou price" is becoming the guiding price for grain transactions around the country. The Zhengzhou exchange has provided experience and a model for the establishment of seven regional wholesale grain markets in Heilongjiang, Jiujiang, Wuhu, Hubei, and Jilin, a wholesale peanut market in Shandong's Weihai, and a number of wholesale grain markets at prefectural and county levels.

As the commodity economy has grown relentlessly, the conflicts apparent in China's sluggish circulation have become increasingly more prominent. The war on bulk purchases of agricultural products like cotton, silkworm cocoons, and limonene has expanded, while much needed means of production were in short supply. The difficulty in acquiring some agricultural products in a year of bumper harvest was a common sight.

Consequently, around 1985, China began to seriously consider borrowing from the experience of futures markets, long branded as an exclusive domain of capitalism. It prepared to move a large number of agricultural products like grain, edible oil, pork and wool, which were classified outside exclusive management and purchase orders, gradually into the realm of normal market transactions with a view to coordinating the relationship between producing and marketing regions, cultivating the market, and preventing price fluctuations.

An important move was to set up a normal grain wholesale market at national level, the Zhengzhou grains wholesale exchange, so that it could assume the responsibility of regulating grain and edible oil prices among provinces and serve as the pillar of a unified national grains market system.

Over the past year, the Zhengzhou exchange has continued to import certain mechanisms from Western futures markets. On one hand, it has insisted on the principles of transparency, normalization, and openness. The exchange stipulated that an exchange member must have more than 300,000 yuan in capital funds, an annual transaction volume of 50 million kg, and an impeccable record. At present, the Zhengzhou exchange has 280 members who were admitted after undergoing a rigid examination.

At the same time, the Zhengzhou exchange also implemented an insurance deposit and risk sharing system wherein the two transacting parties pay a deposit proportional to the monetary value of the contract to ensure contract compliance. Also, the state will take part in risk sharing for long term contracts. All these have created conditions for the evolution of the Zhengzhou wholesale grain exchange into a futures market.

However, experts have estimated that it will still take some time before China's experimental market eventually develops into a futures market. But, the transition will definitely be faster than for Western futures market.

It was understood that the first batch of long-term contracts were signed five months after the opening of the Zhengzhou market. Thus far, a third of all contracts are classified as medium and long-term. In comparison, it took the Chicago Futures Exchange three years after its opening to make the transition from spot trading to medium and long-term contracts.

Presently, provinces taking part in trading activities have risen from the initial handful to more than 20, while the sectors involved in trading have expanded from the grain sector to other sectors including commercial, supply and marketing, foreign capital, and light industry as the exchange develops gradually toward a comprehensive market.

The noted economist Ma Hong has remarked that the experience of the Zhengzhou exchange has proven that the establishment of a modern futures market in China was not a remote possibility.

It has been learned that the Chinese Government plans to realize the transformation of this national wholesale market from spot wholesale trading to futures trading in three stages. First, it wants to consolidate spot trading, develop medium and long-term contracts, and then promote the standardization and qualified transfer of contracts. Eventually, it hopes to operate fully fledged futures trading.

The direction has been determined for the establishment of a modern futures market in China. The successful attempt by the Zhengzhou exchange has given people reason to believe that vitality and vigor will appear once again in China's circulation system in the near future.

Reform Commission Official on Economic Regulation

*OW2810112091 Beijing BEIJING REVIEW
in English No. 40, 7-13 Oct 91 pp 18-20*

[Article: "An Economy Regulated by a Combination of Plans and Market Force"—by Niu Genying, a senior official of the State Economic and Structural Reform Commission]

[Text] Contemporary domestic and international economic development has demonstrated that a perfect market economy contains planning, that the market role also exists in a planned economy, and that both planning

and market regulation play a positive role in a nation's economy. The two methods are indispensable to the rational allocation of resources, and implementing one without the other can seriously hinder a country's economic development. Since 1979, China has successively carried out a series of reform measures and successfully combined the planned and market economies. The goal has been to bring into full play the advantages of both systems in order to develop social productivity and enrich people's material and cultural life.

After more than ten years of economic structural reform, China has done away with the former over-centralized planned economic structure and gradually implemented a new structure which combines the planned economy with market regulation. The change has meant a gradual growth of the socialist market system under the prerequisite that the state effectively regulates the national economy.

According to statistics, the total value of China's retail sales in 1990 was 830 billion yuan, a 5.3-fold increase over 1978, just prior to the period when the reform and open policy was implemented. Sales have increased annually at a rate of more than 10 percent.

There were 72,579 urban and rural trade fair markets nationwide in 1990. These had a turnover of more than 216.82 billion yuan, a 2.18- and 17.35-fold increase respectively over 1978. In addition, a great number of wholesale markets have been opened.

In 1990, the value of China's imports and exports was US\$115.44 billion, a 5.59-fold increase over 1978.

The monetary markets, which before the reform and opening to the outside world were almost nonexistent, have also turned brisk and the current situation is quite optimistic. For example, the stock markets in Shanghai and Shenzhen have already begun operation with the approval of the department concerned under the State Council. At present, the national issuance of more than 60 types of securities exceeds 200 billion yuan; some 60 cities have opened markets for the transfer of state treasury bonds; and the country has more than 500 stock exchange networks.

In addition to the above, the markets for means of production, consumer goods, technology, information, labor services, real estate, etc. have expanded to a varying degree in different regions. For example, the country's labor service institutions now number over 8,000, technological development markets and business organs are up to around 20,000 and the real estate market in various regions is steadily developing.

In order to make full use of market mechanisms and promote their development, the state gradually expanded enterprise decision making power in the area of planning, funds, sales and material supply, and reduced mandatory plan targets. Compared with 1979, the variety of industrial products that are directly controlled by the state has been reduced by 50 percent, the

proportion of materials earmarked for unified distribution by the state dropped by 85 percent and the amount of consumer goods planned and managed by commercial departments was down by more than 80 percent. These measures created the necessary conditions for successful regulation by the market. During the Eighth Five-Year Plan period (1991-95), as the structural economic reform deepened, the economic structure improved and the market continued to develop, China appropriately narrowed the range of mandatory plans, broadened the scope of guidance plans and further brought market mechanisms into full play.

In order to change the distorted price system, China has readjusted price ratios and raised prices for such basic products as grain, cotton and edible oil; passenger and commercial goods transported by rail, highway, air and water; and petroleum, nonferrous metals, iron and steel, coal, electricity and other materials. Through such reform measures, prices for a large number of commodities were decontrolled, thus doing away with the previous rigid pricing system which was unable to meet the needs of the supply and demand and creating the basic conditions necessary for a pricing system, promoting the good and eliminating the bad and bringing the role of market mechanisms into full play.

The adoption of the above measures has brought about the initial growth of China's socialist market system. Of course, to ensure a sustained, steady and coordinated development of the national economy, it is absolutely necessary to give play to the regulatory role of planning.

On the principle of the integration of the planned economy and market regulation, China's macro-economic development is based on planning.

The past ten years of practice has shown that China was correct in its decision to combine the planned economy with market regulation. The nation's gross national product (GNP) increased from 447 billion yuan to 1,740 billion yuan from 1980 to 1990. Calculated in terms of constant prices, this represented a 136 percent increase, or an average annual rise of 9 percent. The national income increased from 368.8 billion yuan to 1,430 billion yuan which, if calculated in constant prices, was a 2.31-fold rise, an average annual increase of 8.7 percent. Gross agricultural output value increased by an average rate of 6.3 percent annually, while gross industrial-output value rose by 12.6 percent. Moreover, China successfully reached its target for the Sixth Five-Year Plan (1981-85) and the Seventh Five-Year Plan (1986-90), and realized ahead of schedule its first strategic goal of national economic development.

The nation's economic growth demonstrates the substantial progress China made by combining the planned economy with market regulation. The choice clearly has been a correct one. At the same time, however, there were certain problems in the guideline which sought overly rapid growth in the scale of construction and in

consumption funds. Since this brought about unevenness in the national economy, macro-economic readjustment was necessary. The problem indicated the need for improvement in how the planned and market economy can be properly integrated.

Towards this end, during the Eighth Five Year Plan period, China will combine direct with indirect regulations and establish a two-level economic control system in the central government and provinces, autonomous regions and municipalities. The main task of the state planning management and guidance will be to rationally define the direction of national economic development, and the goal of planning and macro-control; to formulate correct industrial policies, regional policies and other economic policies, bring about a comprehensive balance in the national economy and co-ordinate major economic sectors. Comprehensive use of economic, legal and administrative means to guide the economic operation will enable the state to further strengthen the market system and market construction, properly narrow the scope of mandatory plans and appropriately expand the scope of guidance plans. This will all help to bring the role of market mechanisms into full play.

The methods and scope of a planned economy with market regulation vary depending on which aspect of the economy is affected. China will regularly adjust and improve its economic methods based on the actual situation. Moreover, the establishment of such a new system will follow an historical process; it is impossible to achieve success in one stroke. Therefore, we need to make every effort to set up a scientific system in order to ensure a balanced overall supply and demand and maintain a stable economy. We must reform and improve our planning system while abiding by the law of value. Efforts will therefore be made to nurture the socialist market system and create conditions necessary for proper price formation, break through market separations and rectify price ratio relations in accordance with the laws of commodity and material circulation. We will actively promote competitive enterprise mechanisms and create the conditions needed by enterprises to become real socialist commodity producers and managers, which operate independently and which have responsibility for their profits and losses and are able to control and develop themselves.

Leading Economist on Emerging 'Buyers' Market'

HK2910074291 Hong Kong CHING CHI TAO PAO
in Chinese No. 42, 21 Oct 91 p 14

[Text] Leading economist Ma Hong thinks that an unprecedented phenomenon has appeared in current economic developments in China. He says that some commodities and materials which were always in short supply have become more readily available. At the same time, price increases have returned to a normal level and residents' savings continue to increase, while foreign exchange, which was often in short supply, has also

become more readily available. Judged from the relationship between supply and demand in the market and from the positions of the buyers and sellers in trade deals, it can be said that a "buyers' market" has emerged in China to a certain degree, unlike one year ago, when it was viewed as a sluggish market.

Ma Hong said that we have three choices at present: First, relax controls and further expand investment and consumption demand, which will inevitably lead to a new round of over-heating in the economy. At present, this certain degree of "buyers' market" could easily disappear; this is very dangerous. Second, by expanding purchases to maintain production, products that cannot be sold will accumulate, causing a decrease in economic returns; this also is not quite workable. Third, guide the trend according to the situation and, through adjustment of the product mix and industrial structure, enable the national economy to begin a good cycle. We should consider the third choice.

Government To Restrict Unpopular Goods Production

OW0511075191 Beijing XINHUA in English
0721 GMT 05 Nov 91

[Text] Hangzhou, November 5 (XINHUA)—The Chinese Government will adopt effective measures to halt or restrict the production of unpopular and stockpiled goods.

The production office under the state council and the industrial and commercial bank of China sponsored recently an east China conference on reducing stockpiled goods in Hangzhou, the capital of Zhejiang Province.

Officials from the two departments noted that China's industrial production is recovering gradually. However, the economic efficiency of some enterprises continues to decline and stockpiled goods are mounting.

The state council demands that by the end of this year, the whole country reduce stockpiled goods by 20 billion yuan. East China makes up one-fourth of the total.

To achieve this goal, rigid measures, including suspending loans and stopping the supply of electric power, should be taken to resolutely suspend or restrict the production of those enterprises which are producing unsold goods.

Confidence in Price Stability Varies Regionally

HK0111044691 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1034 GMT 24 Oct 91

[Text] Beijing, 24 Oct (ZHONGGUO TONGXUN SHE)—The issue of commodity prices has once again become a hot topic of mainland residents. An opinion poll conducted by the Section of Survey and Statistics of the People's Bank of China shows that 56 percent, 47 percent, and 41 percent of the residents in Shanghai, Nanjing, and Anhui's Anqing City respectively expressed the belief that prices would rise at a high rate

in the second half of the year. The expectation of price increases among the residents in other big and medium-sized cities were also somewhat reflected.

Economic experts point out that this latest development calls for special attention from the relevant government departments. The conversion of the residents' negative expectation of inflation into positive expectation will probably bring new problems at any time.

Since the fourth quarter of 1988, the mainland has carried out comprehensive measures of improvement and rectification and the commodities in the market have basically remained level. By August this year, the social retail price index had been kept below the two-digit level for 18 consecutive months. Because of the relative stability of market prices, the residents' price expectations have also been relatively stable.

However, economic experts believe that these expectations for prices and inflation were cultivated after the national economy took a full turn for the better and while the retail price index remains a one-digit figure. With the gradual relaxation on finances, mounting speed of industrial growth, and especially in the wake of the extraordinary floods in some provinces and municipalities of the country starting in June this year, there have been fluctuations in prices in some regions, causing price expectations in those regions different than in other parts of the country.

Household Responsibility Propels Urbanization

OW3110182591 Beijing XINHUA in English
1318 GMT 31 Oct 91

[Text] Beijing, October 31 (XINHUA)—One decade ago, nearly two out of three Chinese were farmers. Now one out of two are farmers, and researchers predict that in another decade only one out of three Chinese will be working in the fields.

The change all began 12 years ago when the household contract responsibility system, the first reform measure enforced in China's vast rural areas, started to free millions of farmers from the fields and gave birth to rural industries as well as new towns and cities.

The rural economic reforms have greatly increased rural labor productivity, making millions of laborers redundant, and the mushrooming of township enterprises has provided a good opportunity for the surplus labor to engage in non-agricultural activities.

Both officials and researchers in China agree that this trend is propelling China into rapid urbanization and changing it from a traditionally agricultural country into an industrial nation.

Statistics from the Ministry of Agriculture show that nearly 120 million farmers have left the fields since the economic reforms began. Most of them have moved into

rural industries. Others started their own private businesses and still others have gone to the cities as construction workers or housemaids.

By the end of the first half of this year about 92 million surplus rural laborers had found jobs in township and village enterprises.

In southwest China's populous Sichuan Province alone, which pioneered the rural reforms, more than 14 million farmers have been recruited by local rural industries.

Government figures show that in 1990 the farming population in China accounted for only 53 percent of China's total population.

Despite the drop in the farming population, China's total agricultural output value has been on the increase. Total grain harvests have also enjoyed increases over the years and reached record highs in 1990.

Officials at the Ministry of Agriculture said that such a change has only been possible because of the reforms, which brought into better play the farmers' initiatives and enabled greater use of machines in farming.

According to the State Statistics Bureau, by 1990 China had farm machines exceeding 287 billion watts. The number of large and medium-size tractors had increased by more than 1,590 times and 620 times, respectively, compared with the figures in 1952. In some parts of the country, almost all the work, from ploughing to harvesting and transportation, is done by machines.

Meng Jiming, an agricultural engineering expert from the Shenyang Agricultural University, said that the decrease in farming population is a trend reminiscent of what happened in the past in all the industrial nations of the world.

Meng said that, with increases in productivity, more farmers will move into other sectors or go to work in towns and cities. He predicted that the flow of labor will speed up.

Another researcher, a doctoral student in urban economics at the Northeast Finance University, predicted that by the end of this century the farming population in China will further drop to 32 percent of the total population.

As a consequence, China's cities and towns are swelling. In addition, the number of cities has grown to 467 so far, about 100 more than 12 years ago. And local governments continue to apply to the central authorities to recognise more cities in order to win government funds for urban construction.

According to an urban development blueprint worked out by the Ministry of Construction, the number of cities will increase to 645 by the year 2000.

The ministry has reported that at present more than 10,000 towns scattered throughout the country are on the way to becoming small cities.

Rural industry now generates some 700 billion yuan in annual output value, about one-third of China's gross national product. Last year this sector contributed 15.65 billion yuan to towns and cities in construction funds.

Article on Shareholding Cooperative Enterprises

HK2910092691 Beijing LIAOWANG in Chinese
No. 38, 23 Sep 91 pp 16-17

[Article by Du Ying (2629 7751): "Shareholding Cooperative Enterprises—New Enterprise Organizational Form"—first paragraph is editor's note]

[Text] After enjoying the enormous reform results from the contract responsibility system on a household basis with remuneration linked to output, vast numbers of peasants in China are beginning to gather together the idle funds in their hands and their surplus labor to once again organize business activities on their own initiative. In this way, large numbers of economic entities called "shareholding cooperatives" have emerged. Most are enterprises jointly run by three or more households with production elements as shares, including funds, goods, technology, labor, and land. Since this kind of enterprise has a relatively complicated pattern, it is obviously more advanced than the individual economy while being different from the traditional collective economy. Therefore, economic circles have always held different views on the nature, forms of organization, distribution system, and development prospects of shareholding cooperative enterprises. Nevertheless, as another invention by peasants in China, the shareholding cooperative enterprise is continually developing throughout the country. Its development in Shandong, Anhui, and Zhejiang provinces have particularly drawn people's attention. According to estimates and calculations by relevant departments under the Ministry of Agriculture [MOA], by the end of last year there were 980,000 enterprises jointly run by peasants across the country, employing 8.14 million people and with an output of 72.7 billion yuan. Of these enterprises, most were shareholding cooperative enterprises. They have become an important force in China's township and town enterprises and rural economy. Since last year, the MOA and some local governments have promulgated similar regulations to guide and standardize the development of shareholding cooperative enterprises. Last summer, more than 150 experts, scholars, and leading cadres engaging in actual work from the CPC Central Committee and the State Council's relevant ministries and commissions, research organizations, universities, and colleges in all parts of China gathered in Wenzhou to discuss and explore this kind of new economic pattern. All participants unanimously agreed that there was a profound economic and social significance behind the shareholding cooperative economy and that this was an economic phenomenon that must not be overlooked. This magazine selectively carries the views of Du Ying, Dong Fureng [5516 6534 4356], and Wang Jue [3769 3778] on this question and offers them as a reference for readers in studying the shareholding cooperative economy.

Many people feel strange about the term shareholding cooperative enterprise. However, as far as its nature is concerned, it is nothing new in rural areas. During the early 1980's when the system of contract responsibility system on a household basis with remuneration linked to output was practiced, and especially in the ensuing years when the rural industrial structure was being readjusted, enterprises with a combination of funds and labor as their main components began to emerge and were later extensively developed. Some of these enterprises were former commune- or brigade-run enterprises which changed their assets into shares; some were those whose shares and labor were added by peasant households; and others evolved from individual or private enterprises. Although they appear in different forms, they have a common characteristic in that they apply the mechanisms of the joint stock system and have the contents of the cooperation system, thus being called "shareholding cooperatives."

Since 1987, in the three rural-reform experimental areas of Shandong's Zhouchun, Zhejiang's Wenzhou, and Anhui's Fuyang, people have devoted themselves to exploration on the shareholding cooperation system while centering on improving township and town enterprises. They have accumulated large amounts of experience, thus offering a basis for formulating corresponding policies and legal provisions. In February 1990, the MOA promulgated the "Provisional Regulations Regarding Peasants' Shareholding Cooperative Enterprises." This symbolizes that these kinds of enterprises are developing from a self-initiated stage to a standardized and institutionalized stage. So far, it is estimated that the proportion of shareholding cooperative enterprises in the country's township and town enterprises accounts for more than 10 percent, thus becoming an important form of economic organization.

"Shareholding Cooperation" Is an Invention by the Broad Masses of Peasants

Theoretically speaking, the joint stock system differs from the cooperation system. Therefore, whether we apply the classic theories of the joint stock system or those of the cooperation system to these enterprises, we feel that they do not "completely fit" them. However, once we have a deeper understanding of the background of these enterprises, it could easily be found that they are inevitable and reasonable.

The emergence of shareholding cooperative enterprises can roughly be traced to two main reasons: The first is introduction of the joint stock system into collective enterprises in rural areas. This was aimed at resolving the problem of how to effectively manage the assets of original collective commune- and brigade-run enterprises after the contracted responsibility system on a household basis with remuneration linked to output has been reformed and administrative institutions and communes have been separated. Obviously, these assets cannot be offered for contract by separate households in the same way as land, still less can they be fully distributed or used up. Therefore, this urgently demands a form

of economic organization which corresponds to the basic rural operating system. Having factory directors or all persons contract on the assets not only ends up resulting in loose ties among peasants in a community but also easily gives rise to the short-term behavior of production enterprises. Therefore, some localities have adopted the mode of changing assets into shares. They determine, on the basis of clearing property and reexamining assets, share rights according to the original source of how the assets were obtained and offer share rights to village collectives, peasant households, enterprise staff and workers, and relevant investors. While the nature of the enterprise remains unchanged, its property rights have become more clearly determined. Peasants call this "shareholding cooperation" and use it to contrast with the traditional collective enterprise. Shareholding cooperative enterprises in the Zhoucun experimental area basically fall into this category.

Another situation is that some family, joint-household, or individual partnership enterprises are changing toward shareholding cooperative enterprises. They do this mainly to alleviate the contradiction whereby the scale of operation is increasing and does not correspond to the original sizes of enterprises. In the preliminary stage of township and town enterprises, the emergence of low-level excessive competition, poor enterprise internal management, and the absence of rules is unavoidable. But, as market competition is becoming increasingly acute and the scale of enterprises is enlarging, the above-mentioned problems will create obstacles to enterprises' progress, thus calling for enterprise system reform. Under this pressure, adopting the pattern of shareholding cooperation to combine the elements of production all over again and introducing new system standards is the common choice of these enterprises. The Wenzhou experimental area is fairly representative of such a trend of change. We can see from this that it has not been accidental that shareholding cooperative enterprises have come into being and developed. They have not come from any tried pattern but are, in fact, an invention by vast numbers of peasants. It is a product of the deepening of the rural reform and the development of the rural commodity economy. What is particularly noteworthy is that as an evolutionary trend in the pattern of enterprises, it meets the general demands on enterprise structure by the development of the commodity economy and reflects the pursuit of common prosperity, a social aim of the people.

It Has Become an Independent Enterprise Pattern

The basic characteristic of shareholding cooperative enterprises with regard to their industrial structure is that they adopt the joint stock pattern to clearly determine who should have enterprise property rights. Moreover, they have an inseparable portion of common accumulations. They recognize the returns from the input of various elements and, at the same time, fix and limit the ratio of post-tax profit accumulations and

dividends. As for operation and management, they recognize that share rights determine the rights and interests while, at the same time, having the general participation of staff and workers. This does not mean that one share entitles a person to one vote, nor is it true that each person has a vote, etc. These characteristics distinguish shareholding cooperative enterprises from joint-stock enterprises in the general sense and from collective enterprises in the traditional sense. They also differ in nature from typical private partnership enterprises.

Observing the shareholding cooperative enterprises from the angle of the system of ownership, we see that they have, more or less, introduced the pattern of the cooperation system during the process of their formation, although their internal structure is rather complicated. In addition to economic needs, peasants have long been influenced by socialist education and by the entire social system, while the guidance of the government has also played an important role. Since the government has strengthened guidance, shareholding cooperative enterprises will become increasingly standardized. In their future development, some of these enterprises will probably select the joint stock system or the cooperation system to standardize themselves. But even at that time, the shareholding cooperative system will continue to be one of the many organizational patterns of township and town enterprises. Therefore, as a kind of independent enterprise pattern, the shareholding cooperative enterprise can be set up. Further discussion on the question of how to determine the policy boundary of the nature of the system of ownership is possible.

Their Development Is of Great Immediate Significance

Judging from practice in all localities, development of the shareholding cooperative enterprise has just begun and vast numbers of peasants are very willing to accept it. Its advantages are very obvious: First, it enhances an enterprise's ability to raise funds and it is favorable to mobilizing funds in society, particularly in changing consumption funds to production funds. Second, it breaks down the community barriers and willful departmental obstacles, to facilitate the circulation of an enterprise's various elements and promote horizontal economic merger. Third, since property rights are clearly determined and interests are direct, it is possible to resolve the problem of an enterprise's internal award mechanisms and self-supervision. Fourth, that share rights determine the rights and interests helps very much to standardize the behavior of village administrative organizations. Practice in all localities shows that the shareholding cooperative system has considerable inclusiveness and universality. It not only suits various kinds of township and town enterprises, it is now being promoted in forestry and orchard running and management and in comprehensive development.

Developing the shareholding cooperative system is of great immediate significance today. The rural policy has brought into existence a setup in which a variety of economic sectors and operating modes exist in rural

areas. The contract responsibility system on a household basis with remuneration linked to output has brought economic surpluses to peasant households. These are the basic conditions for maintaining the vitality of the rural economy. Against this background, how to develop and strengthen the collective economy; resolve the problem of the scattered aspect of small-scale production without infringing on, or even exploiting, the property rights, interests, and democratic rights which peasants have obtained; and without repeating "turning private property to public" are undoubtedly very important and immediate policy issues. In this respect, practice through the shareholding cooperative system offers us an appropriate choice. It avoids the weakness of combining property and sharing labor when it comes to cooperation, yet gathers together scattered elements of production, builds up a new operating scale more quickly, and accumulates common property. As far as its significance is concerned, we say that the shareholding cooperative enterprises have found a new way of development. It is not only significant to the deepening of the rural reform, but also serves as a reference for city reform and state enterprise reform.

Official on Rural Cooperative Organizations

HK2810073891 Beijing NONGMIN RIBAO in Chinese
16 Sep 91 p 1

[Speech by Zhang Yunqian (1728 0061 0578), head of the Rural Group under the Central Policy Research Office: "Further Stabilize, Improve Basic System of Rural Cooperative Economic Organizations"]

[Text] The "CPC Central Committee Proposal on Drafting the Ten-Year Program for National Economic and Social Development and the Eighth Five-Year Plan" points out: "The implementation of responsibility system based on households with payment linked to output and establishment of the dual operation system which integrates centralization with decentralization are the major achievements of rural reform which are suited to the level of China's rural productive forces. As a basic system, they should be stable for a long time to come and should be constantly improved." Besides expounding the relations between the contract responsibility system with payment linked to output and the dual operation system, the document affirmed the contract system with payment linked to output and the dual operation system, regarding them as the basic systems for township and rural cooperative economic organizations.

It is one of the focal points of deepened rural reform, and also an important content of rural work, to further stabilize and improve the township and rural cooperative economic organizations. How should we constantly improve them based on stability? In light of the spirit of the central documents on agriculture issued since rural reform, I think we should be clear on the following points: First, correctly understand the actual meaning and internal ties between the system of contracted responsibility based on households with payment linked

to output and the dual operation system which integrates centralization with decentralization (hereinafter the contract system with payment linked to output and dual operation system); second, the essence of the contract system with payment linked to output and the dual operation system is to give full play to the strong points of centralized collective operation and household contract operation, aimed at improving the cooperative economy rather than negating the cooperative system; third, the key to stabilizing and improving the contract system lies in correctly giving full play to the role of centralized operation, laying stress on services, and properly handling the relations between centralization and decentralization; and fourth, gradually improve the management organs and regulations of the township and rural cooperative economic organizations, giving full play to the functional role of the production services, management coordination, and capital accumulation in the cooperative organizations.

Regarding the abovementioned points, there are clear expositions, requirements, and stipulations in the relevant documents by the central authorities involving agriculture. Here, I would like to express my personal views on some specific matters.

First, the internal ties between the contract system with payment linked to output and dual operation. The contract system with payment linked to output and dual operation are two aspects of the basic systems of township and rural cooperative economic organizations. The two are internally connected and inseparable from each other. The contract system with payment linked to output is the means of realizing dual operation, while the latter is the embodiment of the contract system with payment linked to output in the operation system. Such ties between the contract system with payment linked to output and dual operation can be verified from the survey of 274 villages conducted by the Rural Fixed Observation Center under the Central Policy Research Office and Agricultural Ministry. Let us first look at the distribution of the collective fixed assets. During the reform, most of the rural collectives maintained a certain amount of productive fixed assets. Of these, villages maintaining over 50 percent of the fixed assets accounted for 44.9 percent, while villages distributing all the productive fixed assets to the commune members in kind accounted for only 12.8 percent. This shows that most of the villages maintained a certain operation capacity and that the framework for dual operation has already taken shape. Moreover, let us look at the development of the collectives and peasant households. If we take 1984 as the starting point, the productive fixed assets of the collective sector had risen by 183 percent in 1990 (referring mainly to industry, transportation, farm machinery, and housing for production purposes) and the direct income in the collective increased by 375 percent (92.4 percent from nonagricultural fields), while productive fixed assets of the peasant households rose 141 percent and income from their operation went up 134 percent (80 percent deriving from agriculture).

Second, on the differences in the understanding of the contract system with payment linked to output and dual operation and their impact. The peasants' misgivings that the contract responsibility system based on households with payment linked to output would be abolished have never been dispelled. It is true that there is an objective reason but certain deviations in understanding also constitute an essential factor. Some cadres and the masses do not have a grasp of the essence and connotation of the contract responsibility system with payment linked to output, particularly that based on households. Some have mistakenly regarded contract as "dividing" and household land contracting as "sharing out the land and practicing individual farming." Because of such misunderstandings, when they heard about developing the collective economy and improving dual operation, they took it as abolishing the household contract system. Also, because of this misunderstanding, when they saw some localities collecting funds retained by households in light of stipulations and organizing construction of public facilities, they thought it was an encroachment upon the household contract system.

Third, on the relations between improving the dual operation system and improving the township and rural cooperative economic organizations. Dual operation is the operation system for township and rural cooperative organizations, while the township and rural cooperative organizations are the carrier for dual operation. This relationship was stated clearly long ago in Central Document No. 1 in 1983 and 1984. In light of the circumstances in each period, the central documents regarding agriculture issued in the following years also set different requirements for improving the cooperative organizations.

The problem now is that some comrades are worried that establishment of the township and rural cooperative organizations will affect household operation and be disadvantageous to rural stability. This is not the fact. According to a survey by the Rural Fixed Observation Center, 54 percent of the 274 villages nationwide under observation have established cooperative organizations. In terms of collective accumulation or household incomes, the total for those which have established cooperative organizations is higher. The per capita income of peasants in 1984 was 467.6 yuan in places where cooperative organizations were established but 397.8 yuan in places without these organizations; in 1990, the figure for the former rose to 1,030.2 yuan while the latter went up to only 759.2 yuan. According to a survey, 73.6 percent of the villages and cadres stood for the establishment of cooperative organizations and 88.1 percent of households insisted on the necessity of strengthening the cooperative economic organizations.

Naturally, it is still a new question as to how to run the cooperative organizations under the dual operation system well. As some comrades are not yet accustomed to this change, problems of one kind or another will be unavoidable in the course of improving the cooperative organizations, and the phenomenon of "backtracking" may also occur. To this end, we should seriously sum up

experience, give policy guidance, and put the development of cooperative organizations on the correct and normal path, rather than simply blame it or negate the necessity of improving township and rural cooperative economic organizations.

National Agricultural Planning Conference Ends

OW2810133491 Beijing XINHUA Domestic Service
in Chinese 1213 GMT 26 Oct 91

[By reporter Yang Guiming (2799 63112494) of the Central People's Broadcasting Station and XINHUA reporter Pu Liye (5543 4539 2814)]

[Text] Beijing, 26 Oct (XINHUA)—The seven-day national conference on agricultural planning ended in Beijing today. The conference reported the situation in implementing agricultural production and construction plans for 1991 and put forward guiding policies for agricultural planning in the next two years.

Liu Zhongyi, minister of agriculture, spoke at the conference. He noted: In spite of the relatively serious natural disaster and heavy losses this year—as well as under the leadership and with the support of the party Central Committee, the State Council, and party and government departments at various levels—agricultural departments at various levels have gone all out to fight the disaster and provide relief. The broad masses of peasants have promoted production of autumn-ripening crops to make up for losses suffered during the summer, and they have still reaped a relatively good harvest in agricultural production. The output of many agricultural products will fulfill or overfulfill state production plans. It is estimated that the production of grain and cotton, which were damaged to a relatively serious degree, can still fulfill the state production plan. Animal husbandry and fishery are also developing steadily. There are ample supplies of supplementary food products, and their prices are stable. In addition, village and town enterprises are developing in a relatively satisfactory manner in terms of speed, economic results, and ability to earn foreign exchange through export.

The conference decided that the guiding policies for agricultural planning in the next two years are: to continue to implement the policy of "firmly grasping grain production and actively developing diversified operation"; to stress promoting the production of grain and cotton; and to make an overall arrangement for agricultural, livestock, and fishery production. The conference called on various localities to do their best to stabilize the acreage of grain production; to steadily increase the total output of grain by relying on increasing unit yield; to promote a coordinated development of economic crops, animal husbandry, and fishery; to further strengthen agricultural capital construction in order to raise comprehensive production capacity; to deepen the reform of the rural economic structure; to stabilize the responsibility system with the household contact linking output to payment; to improve the dual management

system that combines household with collective operations; to strengthen the building of the service system; to constantly expand the collective economy; to increase the vitality of agricultural development; to raise economic results and overall quality of village and town enterprises on the basis of this year's campaign for the "Year of Quality, Variety, and Efficiency"; to maintain appropriate economic growth; to ensure a sustained, stable, and coordinated development in agriculture and the rural economy; and to guarantee that peasants will increase their income steadily.

Chen Yaobang, vice minister of agriculture, also spoke at the meeting. He emphatically pointed out that owing to the losses caused by serious natural disasters in certain regions, as well as damage to agricultural production and capital construction facilities this year, the state will adopt some measures which favor areas hit by natural disasters in order to help those areas restore production as quickly as possible.

Wang Zhen Lauds Guangxi Land Reclamation Work

OW2910075991 Beijing XINHUA Domestic Service
in Chinese 1340 GMT 28 Oct 91

[By reporter Jin Yuanqing (6855 3293 3237) and correspondent Jing Ming (7231 7686)]

[Text] Nanning, 28 October (XINHUA)—Wang Zhen, vice president of the PRC, today telegraphed a congratulatory message to the Land Reclamation Bureau of the Guangxi Zhuang Autonomous Region on the occasion of the 40th anniversary of the launching of land reclamation projects in Guangxi.

Wang Zhen's congratulatory telegram reads: "On the 40th anniversary of the launching of land reclamation projects in Guangxi, I wish to extend my heartfelt gratitude and cordial greetings to the vast numbers of cadres, workers, and their families who have contributed to the land reclamation industry in Guangxi. I hope fellow comrades will continue to advance the spirit of courageous exploitation through hard struggle to make even greater contributions to the four socialist modernizations."

Since the launching of land reclamation projects in October 1951, wastelands in Guangxi have been successfully turned into large plantations growing rubber, grain, and other cash crops. From 1979 through 1990, the industry earned profits of 280 million yuan and turned over 270 million yuan in taxes to the state. Its profits in the first three quarters of 1991 again increased more than two times over the same period last year. The region's land reclamation industry has been developing constantly amid reforms in recent years with the number of its state-run farms increasing from nine during its early days to 50 at present, and with the total cultivation area expanding to 2.3485 million mu. It also has set up a production base for commodities and nonstaple foodstuffs of urban residents as well as a foreign trade and export base with 139 industrial enterprises, 243 commercial enterprises, and several scientific research institutes

and vocational universities which provide it with scientific and technological services and qualified personnel.

Activities of Vice Premier Tian Jiyun Reported

Sends Letter to Bamboo Meeting

HK0111111391 Beijing RENMIN RIBAO in Chinese
20 Oct 91 p 2

[By Kang Ren (1660 7232) and Feng Jiaping (1409 0502 1627): "National Bamboo Industry Conference Opens in Hangzhou; Tian Jiyun Sends Letter Urging Faster Cultivation of Resources, Better Management"]

[Text] Hangzhou, 19 Oct (RENMIN RIBAO)—State Council Vice Premier Tian Jiyun sent a letter to the National Bamboo Industry Conference held here today, saying that it is necessary to pay attention to the bamboo industry and bamboo resources as we do forestry and timber, and to take effective measures to expedite the cultivation of bamboo resources and strengthen their management.

The Forestry Ministry called the conference, which is studying measures and methods to expedite the development of the bamboo industry under the new situation. China is the richest country in the world in bamboo resources. Following the deepened development of bamboo products and the development of the forestry commodity economy, bamboo has broken through its traditional use and is now widely used in construction, paper making, light industries, food processing, furniture making, packing, and transportation. China's advantage in bamboo forests is quickly changing into an economic advantage. In recent years, a large number of processing enterprises, such as those making paper with bamboo pulp and artificial boards with bamboo, have rapidly developed in bamboo production areas. The bamboo industry's annual output value reached a record 5.5 billion yuan, and foreign exchange earned from the export of bamboo products totaled \$150 million each year. The annual output value of bamboo material, products, and by-products in Zhejiang, Fujian, Jiangxi, Sichuan, and other provinces reached over 400-500 million yuan, thus greatly strengthening the economic vitality of forestry.

In view of the questions in China's bamboo industry development, such as the poor quality of bamboo forests, extensive operation and management, and low processing and utilization levels, Forestry Minister Gao Dezhan stressed that development of the bamboo industry should be oriented to the market, led by the development and utilization of bamboo products, based on the preservation and development of forest resources, and centered on the transformation of low-yielding bamboo forests. He said it is necessary to vigorously expand the home and international markets; gradually institute a bamboo production system integrating forestry, industry and trade, and linking production,

supply, and sale; and strive to make the bamboo industry's output value reach 11 billion yuan in the next decade with an annual export totaling \$300 million in foreign exchange.

Views Agricultural Exhibition

*HK011113491 Wuhan Hubei People's Radio Network
in Mandarin 1000 GMT 29 Oct 91*

[Text] The Hubei Comprehensive Agricultural Development Achievement Exhibition was opened in the National Agricultural Exhibition Hall yesterday.

After watching the exhibition, Tian Jiyun, CPC Central Committee Political Bureau member and State Council vice premier, spoke highly of it.

It was learned that the state has designated some 24 counties and cities of our province as a first-phase comprehensive agricultural development zone. The broad masses of cadres and people of those counties and

cities have carried out comprehensive exploitation and harnessing of their local mountainous, forest, and riverside land as well as land adjacent to highways; transformed nearly 2 million mu of middle- and low-yield farmland; reclaimed more than 46,000 mu of barren land into crop and vegetable growing fields; and planted 0.75 million mu of forests. In 1990, the development zone succeeded in raising its grain output by more than 240 million kg, cotton output by 30,000 tons, and oil-bearing crop output by 27,000 tons.

After watching our provincial comprehensive agricultural development achievement exhibition, Tian Jiyun expressed profound satisfaction with Hubei's agricultural development and key agricultural transformation projects and the irrigation networks built on the Jiangnan Plain as well as the drought-resistance projects built in northern Hubei. He said: Hubei has great potential in agricultural development, which should be furthered in depth and breadth, to contribute more to the state.

East Region

Chen Guangyi at Meeting on Agricultural Technology

HK0411152591 Fuzhou Fujian People's Radio
Network in Mandarin 1100 GMT 30 Oct 91

[Excerpts] The provincial CPC Committee held a forum on agricultural science and technology in Fuzhou today to listen to experts' views on agricultural production and development in our province. Thirteen experts including (Liu Dongzhu), expert in fertilizer; (Sha Zhengui) and (Mai Shi), experts in wheat breeding; (Zhang Gongzhou), expert in seeds; (Li Yuzhen), expert in crop cultivation; (Xie Linhui) and (Huang Shuyin), experts in crop protection; (Zhang Zhi), expert in water conservancy; (Shi Lunpu), expert in rice cultivation; (Tian Qifeng) (Yang Renhui), (Xie Huaan), and (Huang Youxiong), experts in rice breeding; and others attended the meeting.

Chen Guangyi, provincial party secretary, presided over today's meeting. Experts aired their own views on the situation of grain production in our province, and the ideas and ways of increasing grain production steadily. [passage omitted]

Experts also criticized several problems related with the recent efforts to develop grain production, such as insufficient cultivated land, poor soil quality, drastic drop in input proportion, contingents, institutions, and so on. They hoped that the provincial CPC Committee would adopt more preferential policies to speed up the pace of agricultural development in our province.

Chen Huanyou Helps Open Hotel Management Academy

OW0311131191 Nanjing XINHUA RIBAO in Chinese
24 Oct 91 p 1

[By reporters Yang Maosen (2799 5399 2773) and Sun Yuan (1327 6678): "Ceremony Held To Mark the Inauguration of Jinling Hotel Management Cadres Academy and the Trial Operation of Nanjing Central Hotel—Attended by Liu Yi, Chen Huanyou, Wu Qingrui, and Other Overseas and Domestic Guests"]

[Text] Yesterday afternoon, a ceremony was held in Nanjing to mark the inauguration of the Jinling Hotel Management Cadres Academy and the trial operation of the Nanjing Central Hotel. The Jinling Hotel Management Cadres Academy is the first of its kind in China to train middle-level and senior managerial personnel for tourist hotels. Liu Yi, director of the National Tourism Administration; Chen Huanyou, governor of Jiangsu Province; and Dr. Wu Qingrui from Singapore, who advises the Chinese Government on tourism, attended the ceremony and cut the ribbon.

Jinling Hotel Management Cadres Academy, built with the blessing of the State Council, and consisting of school buildings and a hotel, is a new-type tourism institute with modern international standards, where both academic education and professional training are offered, and students learn theories and get hands-on practice. It

comes under the dual supervision of the National Tourism Administration and the Jiangsu Provincial Government. With a total floor space of more than 33,000 square meters, the academy is complete with various teaching facilities. Chiefly serving as a teaching hotel for the academy, the Nanjing Central Hotel also receives overseas guests. The hotel has 300 guest rooms, including deluxe presidential suites, specialized suites with distinctive features of six different countries and nations, executive suites, and standard guest rooms. It also is outfitted with Chinese and Western restaurants, ballrooms, business centers, bowling alleys, tennis courts, gymnasiums, and swimming pools.

At 1630, the ceremony began amid majestic martial music. Feng Huiqun, director of the provincial Tourism Administration, gave a welcoming speech and expressed his heart-felt appreciation to those caring for the academy's development and training, including personages at home and abroad, as well as pertinent departments. After the ribbon was cut, Liu Yi, Chen Huanyou, and Wu Qingrui toured various facilities in the academy and the hotel, along with other Chinese and foreign guests attending the ceremony.

Also present at the ceremony were responsible persons of Jiangsu Province and Nanjing city—including Han Peixin, Sun Jiazheng, Wu Xijun, Luo Yunlai, Li Yingjun, and Zhong Yuhui; Li Quanzhong, president of the Chinese Association of Tourist Hotels; and Singaporeans, such as Tao Xinbo, Pan Ruilian, Lin Baolian, Wang Rongji, and Zhang Baoqin. Representatives of tourism departments from Beijing, Shanghai, Tianjin, and Anhui, as well as pertinent departments in the province, totaling some 200 people, also attended the ceremony.

North Region

Beijing Launches 'Severe Crackdowns' on Theft

HK0111044791 Beijing CHINA DAILY in English
1 Nov 91 p 3

[By staff reporter Xie Liangjun: "Beijing Crackdown on Theft"]

[Text] Beijing government officials have vowed to launch more severe crackdowns on theft in the coming two years.

The resolve was demonstrated yesterday when the Beijing Intermediate People's Court announced death sentences for 12 thieves and life imprisonments for another four.

According to the Decision of the Standing Committee of the National People's Congress (NPC) Regarding the Severe Punishment of Criminals Who Seriously Sabotage the Economy passed on March 8, 1982, serious offenders are sentenced either to imprisonment of at least ten years, life imprisonment or death. The stolen property is confiscated.

These laws supplement the Criminal Law of China's adopted in 1979. The NPC is China's legislative body.

Shortly after the verdicts were announced, Vice-Mayor Su Zhongxiang, who is also deputy director of Beijing Comprehensive Management Committee for Public Security, said that within the next three years, the city would take steps to bring the growing trend of such criminal cases under control.

The 16 offenders were involved in five major cases of theft. Most of them already had criminal records and had spent time in jail or labour reform camps.

Twenty-three-year-old Zhang Fuqiu, a farmer of Changping County, stole money, grain coupons, transistor radios, cassette recorders and heaters worth 51,000 yuan (\$9,500) in 13 theft cases between July and December last year. He also joined another criminal to rob a jeep driver of 240 yuan (\$45) after injuring him and raping a female passenger. Zhang was sentenced to death.

A theft ring of seven farmers from Wu Wei County of Anhui Province was found to have carried out 39 robberies in Beijing and Shanghai in the past three years. The stolen goods valuing 342,000 yuan (\$63,860) included cash, aluminum ingot moulds, cables, bicycles, motorcycles, cassette recorders and clothing.

Five of them were given death sentences and another two life imprisonments. They may appeal to Beijing's supreme court according to law.

Cases of theft have been on the increase in recent years, promoting the Chinese government to hand out more severe penalties to criminals involved.

According to yesterday's Legal Daily, in the first eight months this year, Chinese police had uncovered 560,000 cases of theft.

Further on Crackdown

HK0211021791 Beijing ZHONGGUO XINWEN SHE
in English 1436 GMT 1 Nov 91

[Text] Beijing, November 1 (CNS)—Beijing's Intermediate People's Court handed down death sentences on twelve criminals found guilty of committing serious burglaries, while another four burglars received life imprisonment.

The 16 criminals were ringleaders of five criminal gangs and all had a criminal record and had received punishment in the past. Despite this, they continued to run their gangs and went on organizing burglaries.

The gangs committed burglaries in a number of provinces and autonomous regions including Inner Mongolia, Xinjiang, Hebei and Ningxia as well as counties within the Beijing Municipality. They broke into nearly 100 factories, offices, stores, schools and private homes, stealing a large amount of cash and other items with a total value put at several hundred thousand renminbi.

The President of Beijing's Intermediate People's Court, Mr. Ji Shuhan, said at the sentencing that these criminals had been responsible for great losses to the state, collectives and private individuals and were a menace to society. For this reason, the court had to punish them severely in accordance with the law.

Wang Qun Urges Improvement in State Enterprises

SK2610144791 Hohhot Inner Mongolia People's
Radio Network in Mandarin 1100 GMT 23 Oct 91

[Text] When investigating and studying at the Baotou Iron and Steel Company and the Rare Earth Company, Wang Qun, secretary of the autonomous regional party committee, urged party and government leaders at all levels to focus economic work on improving large and medium-sized state enterprises; conscientiously, vigorously, and quickly implement the guidelines of the central and the autonomous regional work conferences; and facilitate Inner Mongolia's economic construction.

Wang Qun and responsible persons of the pertinent departments and bureaus of the autonomous region made a special trip to the Baotou Iron and Steel Company, the region's largest state enterprise, on 16 October. Over the past few days, they heard company work reports and held several forums attended by representatives of industrial workers, scientific and technical personnel, and labor models.

On 22 October Comrade Wang Qun gave an important speech. He said: Our visit to the Baotou Iron and Steel Company is very fruitful. First, it has enabled us to acquire a more profound understanding of the company. The company's deficits exceeded 700 million yuan in the 10 years before reform started. The company has developed very rapidly since the third plenary session of the 11th Central Committee and has now increased its fixed assets to 3.7 billion yuan and its workforce to more than 110,000. It has become an iron and steel complex well known in the country and a large tax and profit producer and backbone enterprise of the autonomous region. The company has made great achievements and made substantial contributions over the past few years. Second, faced with the challenge of the commodity economy, old enterprises like the Baotou Iron and Steel Company should accelerate their technical transformation and development. Without such a sense of urgency, old enterprises will have no future and will be eliminated. In view of difficulties, it is necessary to provide good external conditions to the Baotou Iron and Steel Company. Without good external conditions, the company cannot be invigorated. However, internal causes are the foundation and external causes are the conditions for changes. The Baotou Iron and Steel Company should attach importance to improving its own ability and adopt every means to upgrade product quality, increase product variety, and raise efficiency. Third, the Baotou Iron and Steel Company can be renovated. The company is the autonomous region's largest enterprise. Large enterprises have greater potential. Accelerating the development of the Baotou Iron and Steel Company is the desire of not only the

staff members and workers of the company but also the people of various nationalities throughout the region. The Baotou Iron and Steel Company should take advantage of the preferential policies for improving large and medium-sized enterprises provided by the central authorities and the autonomous region to expedite its technical transformation. The leading body of the company is good, its workers competent, and its technical force strong. It also has abundant and convenient coal, electricity, and water. It should make the best of these favorable conditions and strive to rank itself among the best in the 10 major steel companies of the country by late in the Eighth Five-Year Plan.

Wang Qun also said: In the complicated situation, our cadres at all levels should be able to judge the economy from the political perspective. They should take the overall situation and overall interest into account and correctly handle the relationship between current and long-term construction. All quarters should take the initiative in sharing difficulties and make concerted efforts to invigorate the Baotou Iron and Steel Company and improve the large and medium-sized state enterprises throughout the region.

Wang Qun particularly emphasized: We should be vigorous and speedy, seize opportunities, and make prompt decisions when developing economic construction and implementing central guidelines. We should start work once decisions are made and achieve success once the work is undertaken.

Wang Qun pointed out: The basic way to improve large and medium-sized enterprises is to intensify reform. Everyone knows this is the truth. The current problem is whether we have the courage to make breakthroughs, tackle difficulties, and pioneer new work. It is the people who blaze the trail. We should not be afraid of difficulties. All difficulties can be conquered as long as we trust and rely on the masses, achieve success in the reforms of the employment and distribution systems, strengthen management, rely on the working class wholeheartedly, and fully boost the enthusiasm of workers and scientific and technical personnel.

Inner Mongolia Grain Conference Concludes 31 Oct

SK0111095991 Hohhot Inner Mongolia People's
Radio Network in Mandarin 1100 GMT 31 Oct 91

[Text] Addressing the regional grain work conference which ended today, Liu Zuohui, vice chairman of the regional government, pointed out: The regional government's general demands for this year's grain work are to clearly understand the situation, unify thinking, strengthen leadership, cultivate the markets, invigorate circulation, solve the difficulties in grain marketing, and promote sustained, steady and coordinated development in grain production.

He called on governments at all levels to increase their understanding about the circulation of grain and grasp grain circulation work as they did production. He said:

On the one hand, it is necessary to overcome the ideology of stressing production at the expense of circulation; estimate the important status and significance of grain purchase, storage, and marketing in line with the overall situation; and adopt resolute measures to solve the problems realistically. By no means should we wait until difficulties in grain sales emerge before we start studying the circulation problem. We should do all we can to solve this problem before production. On the other hand, we should educate and guide peasants to change their concepts, to be guided by the market, and to make proper arrangements for production. It is necessary to provide promptly accurate market information for peasants so as to avoid planting blindly.

Liu Zuohui stressed: All localities should conscientiously implement the grain purchasing policies and realistically attend to grain and oil-bearing crop purchasing work. The annual grain and oil-bearing crop purchasing and marketing plans issued by the regional authorities this year will not be readjusted, and the state policy governing the prices of grain and oil-bearing crops will be strictly implemented. We should strengthen management over the grain and oil-bearing crop markets and establish and cultivate a grain market system. The regional government has stipulated that this year banners and counties will be allowed to relax control over the grain and oil-bearing crops markets and organize the sales according to market demands and price changes. They can do this after they have fulfilled the tasks of persisting in state contract purchases and storing special grains, and the plan of purchasing grains at negotiated prices and selling them at government prices so that they can do business through various channels.

He called on financial units, banks, and grain enterprises at all levels to raise purchasing funds in line with plans and use them in a timely manner. Any department failing to allot funds for this and affecting the purchasing work will be responsible for the consequences. All localities should realistically strengthen leadership over grain and oil-bearing crops purchasing work and guarantee the smooth progress of this work.

Fall Grain Purchases Set at Directors Meeting

SK3010122691 Hohhot Inner Mongolia People's
Radio Network in Mandarin 1100 GMT 29 Oct 91

[Text] Arrangements were made for the region's purchases of fall grain at today's regional conference of directors of grain bureaus and sections.

Inner Mongolia collected another bumper grain harvest this year. Its output of marketable grain is estimated at 3.5 billion kg. Grain departments at all levels were urged to do a good job in purchasing fall grain to keep up the peasants' enthusiasm about grain production.

First, they should resolutely implement the policies for the purchases of grain and edible oil. State purchasing quotas for various leagues and cities as decided by the autonomous region will not be adjusted, and efforts

should be made to ensure their fulfillment. When the very few banners, counties, towns, and townships of a small number of leagues and cities cannot fulfill the state quotas due to natural disasters, the difference should be made up by leagues and cities themselves with their reserve grain. All localities should educate peasants and grain producers to fulfill in both quality and quantity the state purchasing quotas, which are state-assigned tasks and the obligations peasants should fulfill. Supplies of chemical fertilizer and diesel oil and deposits for the purchases should be guaranteed in a timely manner to ensure the economic interests of grain-selling peasants.

Second, they should correctly abide by the grain purchase price. Grain sold according to contracts and the grain of which production is linked to investment should be purchased at the state fixed price. All localities are prohibited from issuing production subsidies in an attempt to disguise a raise in the purchase price. Special state reserve grain, grain purchased at negotiated prices to be sold at state fixed price, and the limited amount of grain purchased for protection should be purchased at the lowest price as fixed by the autonomous regional Price Bureau and Commercial Department. The prices of the grain purchased to regulate market supply may be fixed by leagues and cities themselves in line with market demand.

It was emphasized at the conference: All localities should actively prepare the funds for the purchases to satisfy peasants' demand for selling grain. Grass-roots grain warehouses and stations may cooperate with commercial, supply and marketing, and credit departments to supply the means of subsistence and the means of production in exchange for grain and edible oil under the leadership and with the coordination of town or township governments to alleviate the contradiction in funds. Grain departments should improve their attitude and quality of service and resolutely check cheating, such as reducing the grade and prices of grain, and unhealthy trends like doing favors during the purchases.

Tan Shaowen Attends Meeting on Party Building

SK0211070091 Tianjin People's Radio in Mandarin
1000 GMT 1 Nov 91

[Text] The three-day conference on the party-building work of Tianjin municipal institutions of higher learning ended today. Municipal leading comrades Tan Shaowen, Wang Xudong, Wang Chenghuai, Qian Qiao, and Yang Hui attended today's closing ceremony.

The meeting participants pointed out: Party committees of institutions of higher learning should be united and induce the broad masses of party members, teaching staff, and students to strengthen their conviction, overcome challenges, make special efforts to strengthen the ideology and work style of leading bodies, continue to strengthen grass-roots party branches and ranks of party-member backbone cadres, fully display the fighting bastion role of party branches and the vanguard and exemplary role of party members, and contribute to building institutions of higher learning into a strong front for

publicizing Marxism-Leninism-Mao Zedong Thought and building socialist spiritual civilization.

Communique Details Tianjin 1990 Census Data

SK2110150891 Tianjin TIANJIN RIBAO
in Chinese 14 Aug 91 p 6

[Communique on the major data obtained from an early sampling of the summary of the 1990 fourth census released by the Tianjin Municipal Statistical Bureau—date not given]

[Text] Thanks to the great attention of governments at all levels throughout the municipality and the diligent work of all census personnel, the computerized early sampling of the summary of Tianjin's fourth census conducted in line with the "regulations for the Fourth National Census" has been successfully completed. The summary used a sample of 882,649 people (excluding active duty servicemen) from 665 census areas in 343 neighborhoods, townships, and towns in 18 districts and counties throughout the municipality, and the sampling ratio is 10.05 percent. The following is the major data of the sampling of the summary.

1. Age Structure of the Population

By 0000 on 1 July 1990, people between the ages of 0 and 14 accounted for 22.77 percent of the total population of the municipality; those aged between 15 and 59 accounted for 67.01 percent; and those aged 60 and over 10.22 percent, of whom people 65 and over accounted for 6.48 percent of the municipality's total population. The mean age of the population¹ was 30.13 years. Compared with the 1982 census, the proportion of people aged between 0 and 14 declined by 1.41 percentage points in the eight years; that of people between 15 and 59 declined by 0.28 percentage points; and that of people 60 and over rose by 1.69 percentage points, of whom the proportion of people 65 and over rose by 0.9 percentage points. The mean population age rose by 3.46 years.

2. Population Employment Situation²

By 0000 on 1 July 1990, among the municipality's population aged 15 and over, the ratio of employed people was 72.93 percent and that of unemployed people 27.07 percent, of which the proportion of students was 6.20 percent, that of homemakers 9.60 percent, that of school-bound people 0.07 percent, that of city and town unemployed people 1.19 percent, that of retired and resigned people 7.39 percent, that of people unemployed due to disabilities 2.46 percent, and that of other unemployed people 0.16 percent. Compared with the 1982 census, the employed population declined by 2.05 percentage points and the unemployed population rose by 2.05 percentage points in the eight years. Among unemployed people, the proportion of students rose by 1.37 percentage points, that of homemakers declined by 1.27 percentage points, that of school-bound people declined by 0.1 percentage points, that of city and town unemployed people rose by 0.18 percentage points, that of

retired and resigned people rose by 2.26 percentage points, and that of people employed due to disabilities and other reasons declined by 0.39 percentage points.

In terms of employment by industry,³ people employed in the primary industry accounted for 29.48 percent, those in secondary industry 43.40 percent, and those in tertiary industry 27.12 percent. Compared with the 1982 census, people in primary industry declined by 1.74 percentage points, those in secondary industry declined by 2.02 percentage points, and those in tertiary industry rose by 3.76 percentage points.

3. Marital Status of the Population

Among the people aged 15 and over in our municipality, 19.49 percent were single, 74.44 percent were married, 5.51 percent were widows or widowers, and 0.56 percent were divorcees. Compared with the 1982 census, the proportions of married people and divorcees rose by 10.95 and 0.13 percentage points, respectively, and those of single people and widows or widowers declined by 10.77 and 0.31 percentage points, respectively.

4. Women's Fertility

The total fertility rate of the women of our municipality⁴ was 1.66 in 1989, up 0.01 from that of 1981.

Of the women of our municipality who gave birth in 1989, 72 percent gave birth to their first child, 22.39 percent gave birth to their second child, and 5.61 percent gave birth to their third child or above. Compared with 1981, the proportion of first children dropped by 6.51 percentage points, that of second children rose by 6.27 percentage points, and that of third children and above rose by 0.24 percentage points.

In 1989, women of child-bearing age in our municipality gave birth to their first child at the average age of 24.76 years, 3.11 years earlier than in 1981.

In 1989, the birth-peak age of our municipality's women of child-bearing age was 25 years old, and the birth rate was 56.56 per thousand. Compared with 1981, the birth-peak age was two years earlier and the birth rate dropped by 5.29 permillage points.

5. Population Migration

In the five years from 1 July 1985 to 1 July 1990, people who moved their place of residence from other provinces and municipalities to our municipality accounted for 3.54 percent of the municipality's total population. Among the aforementioned migrant population,⁵ 45.41 percent moved from rural areas to cities and towns, 1.08 percent from cities and towns to rural areas, 43.79 percent from one city or town to another, and 9.72 percent from a rural area to a rural area.

Footnotes

¹ The mean age of the population is a figure derived by adding the total number of people from age 0 onward until at such age where half of the total population is reached.

² Employed population includes those who have permanent employment as of 1 July 1990, those without permanent employment who were employed on a temporary basis as of 30 June 1990, and workers who worked for 16 days or more in June 1990 and received wages or business income; unemployed population includes students, homemakers, the school-bound population, cities' and towns' unemployed, and people who have retired, resigned, or lost their working abilities.

³ Primary industry means agriculture, forestry, animal husbandry, and fisheries. Secondary industry means the industrial and construction sectors. Tertiary industry means geological surveys and exploration; transportation, post, and telecommunication industries; commerce, the food and beverage industry, the supplying and marketing of goods and materials and the warehousing industry; property management, public utilities, resident services, and the consultative services industry; public health, sports, and social welfare; the education, arts, cultural, and broadcasting industry; the scientific research and comprehensive technical services industry; finance and insurance; and state and people's government and party organs and social groups.

⁴ The total fertility rate means the total fertility rate of women of each age group in one particular year, reflecting average birth per woman of child-bearing age based on the fertility level of women in the same age group in the same year.

⁵ Migrant population includes people who have completed documentation for moving their place of domicile across counties and cities and those who have not completed documentation work but have moved out of their original place of domicile for more than a year.

Early Marriages Affect Tianjin Population Control

OW3110031791 Beijing XINHUA in English
0303 GMT 31 Oct 91

[Text] Beijing, October 31 (XINHUA)—Chinese youngsters are marrying and having children earlier than a decade ago, according to sources from the Tianjin Municipal Family Planning Commission which was quoted by TIANJIN DAILY [TIANJIN RIBAO].

The paper said that this tendency had led to growing pressure on population control in Tianjin, which had previously enjoyed a relatively low population growth rate.

It said that marriage age among young people dropped by two years on average during the past 10 years. The average first marriage age remained between 24 and 25 during 1979 and 1980, 23 and 24 between 1981 and 1988, and 22 and 23 during 1989 and 1990.

The average age for a mother to give birth to her first child was reduced by four years, from 27 years old in 1981 down to 23 in 1989.

This tendency is sure to have a negative impact on the implementation of the municipality's birth-control policy, economic construction and social development.

The state policy encourages later marriage and later child-bearing, proposing men marry after 25, women after 23 and give birth after 25. Despite the policy, later marriages accounted for only 57.97 percent of all marriages which took place last year, compared to 96 percent in 1980.

A one percent drop in the later marriage rate will mean that 1,000 more young couples marry in the municipality every year and about 40,000 more babies will be born within 10 years.

The newspaper called for urgent attention to control this increasing early marriage tendency, otherwise Tianjin's population will increase to 10 million by the turn of the century. The babies born within this period from early marriages will set back the municipality's economic achievements and block the co-ordinated development of its economy and society.

The Fourth National Census held last year shows Tianjin has a population of around 8.78 million with a growth rate of 9.52 per thousand, the third lowest among big cities following Shanghai and Beijing.

The paper attributed the early marriage phenomenon partly to the many cases of school students who fall in love too early.

Recent investigations have shown that over 30 percent of high school students in the city were in love at the age of 16, many of them having fallen in love in the second year of middle school.

The paper linked the situation with the fact that nowadays youngsters become sexually mature a year earlier than 20 years ago.

Poor schooling and a lack of sex education and unplanned pregnancy was also an important reason for early marriages.

According to the paper, the introduction of production contract systems in rural areas from the early 1980s, has also promoted the early marriage tendency, more common in rural than urban areas.

Northwest Region

Gansu Uses Foreign Aid To Build Reservoirs

OW0211102191 Beijing XINHUA in English
0858 GMT 2 Nov 91

[Text] Lanzhou, November 2 (XINHUA)—In the past decade Gansu Province in northwest China has introduced

190 million U.S. dollars from United Nations organizations and other international organizations to build 11 large reservoirs in the arid central part of the province.

As a result, the irrigated area has been increased by 22,700 ha [hectares]. Its grain output in the central area has climbed from 36 million kg before 1982 to 100 million kg last year. In the meantime, the food and clothing problem of 240,000 people has been solved.

Furthermore, the annual average per capita income of farmers jumped from 59.95 yuan to 330 yuan in the period.

Xichachuan in Gaolan County, for example, has an annual average rainfall of only 200 mm. It was notorious for poverty in the past. But since the construction of the Xichachuan pumping project in 1982, the first water conservancy project set up with foreign aid in China, great changes have taken place in the area.

Now Xichachuan has 9,967 ha of irrigated farmland and 2,440 ha of trees. The average per capita income of farmers increased from 74.38 yuan ten years ago to 340 yuan last year.

With the completion of the reservoirs, Gansu's irrigated farmland area is expected to increase by 86,700 ha and the central area will become a grain producer for Gansu, one of the poorest provinces in the country.

For the water conservancy projects, in the past decade, Gansu has received 66.23 million U.S. dollars worth of funds from the United Nations World Food Program and Food and Agriculture Organization, and European Economic Community and got 130 million U.S. dollars in long-term low interest loans from the World Bank.

Bai Qingcai Inspects Tongchuan 29-31 Oct

HK0511070391 Xian Shaanxi People's Radio
Network in Mandarin 0030 GMT 1 Nov 91

[Text] Governor Bai Qingcai carried out investigation and study in Tongchuan city 29-31 October.

Bai Qingcai delivered a speech at the Tongchuan city party committee work meeting, in which he emphatically stated: Now that all principal policies have been made clear, our important task is to implement these policies to the letter. To this end, party and government organs at all levels must orient their work to the grass-roots level and firmly grasp policy implementation while departments concerned at all levels should also orient their services to the grass-roots level. We must develop a spirit of hard work, continually forge ahead, and strive to negotiate all types of difficulties. On how to invigorate large and medium enterprises, Governor Bai Qingcai pointed out: The working class are the masters of their enterprises. We must whole-heartedly rely on the working class and bring into full play their enthusiasm.

Comrade Bai Qingcai also spoke highly of Yaoxian County's practice of selecting and promoting peasants to be directors of large and medium state-run enterprises

and transferring and appointing state cadres to be leaders of township and town enterprises. Bai called for selecting and promoting outstanding elements from among workers and masses to leading posts. He said: It is necessary to perfect and strengthen enterprises' internal mechanism, strictly train workers, and encourage workers to take lessons in political science and technical knowhow. Enterprises should conscientiously implement the principle of distribution according to work; take into account the interests of the state, the collectives, and the individuals; and never practise over-distribution or thorough distribution.

Comrade Bai Qingcai pointed out: One of the major problems confronting us is a conceptual gap: A document has to be transmitted level by level from the central authorities to the provincial or municipal authorities,

from the governments at various levels to their departments, and from the higher levels to the lower levels. Moreover, experiments have to be conducted in selected spots before certain principal policies are officially implemented, thus fearing tiger in the front and wolf in the rear and nervously glancing from right to left. All correct things derive from practice, not from office. Now that our policies have been made clear at each and every level, which you have deemed correct, we must take immediate action to implement these policies to the letter rather than watch these policies from afar like spectators. We should not be afraid of the water if we really want to cross the river, but should go into the water like the Eight Immortals crossing the sea, each one showing his or her special prowess, so as to prove who is best at swimming. We should not passively wait in fear and expect someone to carry us across the river. Only by acting boldly and in a down-to-earth manner will we be able to achieve greater successes.

Agreement Reached on Joint Anti-Crime Efforts

OW0511090591 Taipei CNA in English 0750 GMT
5 Nov 91

[Text] Taipei, Nov. 5 (CNA)—The two sides of the Taiwan Strait have reached a preliminary agreement on conducting joint operations against crime in the Strait, reports from Peking said Monday.

The agreement was the result of hours-long talks in Peking between C.V. Chen, secretary-general of the Straits Exchange Foundation (SEF), and Tang Shubei, deputy director of the Taiwan Affairs Office [TAO] of Peking's ruling State Council, according to the reports.

Chen arrived in Peking Sunday with a seven-member SEF delegation for a five-day visit.

Quoting Chen, the reports said, both sides have agreed to jointly crack down on crime, including piracy, smuggling and illegal immigration, in the Strait in order to maintain social order and stability in both societies.

Chen and other SEF staff members will meet with Communist authorities in the next few days to discuss technical details for the joint operations against crime, including the establishment of a hot line to facilitate exchanges of information and the formation of an arbitrary organization to deal with cross-strait fishery disputes and the like.

Chen admitted that both sides still hold different views on some technical issues, particularly on cooperation during the crime-investigating process. Mainland prosecution authorities hope to establish direct contacts with their Taiwan counterparts in order to facilitate joint efforts to crack down on crime. As Taipei still bans official cross-strait contacts, Chen said, the issue will need further discussion.

Despite their differences on some minor issues, Chen said, both sides agreed to bridge the gap through negotiations in good faith.

Tang Shubei, Peking's TAO deputy director, confirmed yesterday that Peking definitely plans to set up a non-official organization to deal with Taipei's SEF. The Taipei Foundation, jointly financed by the government and the private sector, is the only civilian organization authorized by the Republic of China government to handle cross-strait exchanges.

Tang said the structure, function and personnel of the proposed mainland body are still under discussion. He added that the planned organization will be authorized to talk with SEF on joint cross-strait operations against crime in the Strait and on other cross-strait exchanges.

Press reports say that Peking may formally announce the establishment of the planned body in mid-November and that Qian Weichang, a vice chairman of the Political Consultation Conference, will head the organization.

Chen Interviewed

OW0111135291 Taipei CHUNG YANG JIH PAO
in Chinese 27 Oct 91 p 1

[Special interview by Meng Jung-hua]

[Text] Chen Charng-ven, secretary general of the Straits Exchange Foundation [SEF], stated on 25 October that for the sake of developing future relations between the two sides of the Strait, he suggests that the relevant Communist Chinese unit accept our proposal of separating politics from general affairs. He also said an intermediate and similar organization like the SEF should be established on that basis in order to realize the "seeking of truth from facts," an aim which has been stressed again and again by the communists.

Chen Charng-ven made the above remarks while reacting to an article which appeared in a special dispatch of Communist China's CHUNGKUO HSINWEN SHE [ZHONGGUO XINWEN SHE] on 24 October. In that dispatch, an official from the "Press Bureau of the State Council Taiwan Affairs Office [SCTAO]" discussed the issue of relations between the two sides of the Strait. This reporter also interviewed Chen Charng-ven on current relations between the two sides of the Strait and on the operation of the SEF. Here are the main parts of the interview.

[Meng] What is your reaction to remarks by an official from the "State Council Taiwan Affairs Office" made on the eve of the SEF personnel's departure to the mainland?

[Chen] Those remarks are somewhat biased and sound reproachful. But, after having read the whole article, I feel that the remarks sound more like a general assessment of relations between the two sides of the Strait. Therefore, I don't feel particularly good or bad about them. But I see from those remarks that both sides can still sit down and talk over some matters, and that both sides will still stick to their own stands over some matters.

[Meng] Could you be more specific about this?

[Chen] Let's cite the S.S. Eagle King incident. The CHUNG HSIN SHE article said that our Army had interfered with the anti-smuggling activities of mainland Customs personnel. My personal view is that this incident was the first of its kind that has ever occurred between the two sides of the Strait. If a similar incident occurs again, and if they can prove to us that they are mainland Customs officials, I think we probably will not take them to Taiwan again. This had been a misunderstanding, and we do not expect an occurrence of this incident. The matter could be settled, but they accused us of having our military involved in the incident. We cannot accept that accusation.

Also, they want to settle the Min Shih Yu, Min Lien Yu, and other fishing boat incidents through consultation between two sides instead of going through a judicial process. We cannot accept this. However, the SEF and

the "State Council Taiwan Affairs Office" could coordinate with each other to solve the civil part of the disputes. Civil disputes can also be settled through the establishment of an intermediate or a mediation organization. Fishing departments of both sides may also become involved in mediation efforts.

In my opinion, issues of a political nature should be separated from issues of a general nature. That way, political consideration will not get in the way of people who are responsible for handling issues of general nature. It looks like the issue of "three communications" is no longer worth talking about. However the issue of "bilateral exchanges" can be solved in a step-by-step manner.

[Meng] How do you view the setbacks encountered by SEF on its visit to the mainland, and SCTAO's claim that a verbal agreement was made between the two sides during SEF's first visit to Peking in which SEF would apply for and obtain SCTAO's approval prior to visiting the mainland?

[Chen] Their claim is inconsistent with the facts. There does not exist any verbal agreement between the two sides. We have agreed to apply for the "Certificate of Taiwan Compatriot," and of course without the "Certificate of Taiwan Compatriot," SEF personnel cannot and are not welcomed to visit the mainland. If the two sides can sit down and talk, why do they not welcome us? It is only natural that they have misgivings about SEF's activities, especially at a time when relations between the two sides have not been completely improved. However, I do not believe that they are taking the opportunity to "play a few little tricks." Should they be doing so, they are truly "treating us like a stranger." I do not think they have the intention of rejecting us forever. I shall talk to them during the upcoming visit.

[Meng] In the CHUNGKUO HSINWEN SHE interview, the SCTAO official did not mention the issues of document verification and judicial assistance. These are areas which SEF has always wanted to expand its business operations. Do you think progress can be made during the upcoming trip?

[Chen] Time and again we have brought up issues concerning general affairs. For example, we have requested without avail that they provide reference material for compiling a cross-strait statute book; we can only start the compilation on our own. I simply do not understand why they did not respond. Nevertheless, they should make some response this time.

There are two possibilities for their inaction. First, they lump all cross-strait issues together. We had such tendencies before, but now we are capable of differentiating some issues from others. Second, they do not know how to begin such work. Therefore, I suggest that they also set up an intermediary organization.

[Meng] Do you feel that their setting up of an intermediary organization is like adding another partition to separate our business dealings from them?

[Chen] If SCTAO wants to continue contacts with us, that's fine; the shortcoming of an intermediary organization lies in its efficiency. However, it should not be difficult to establish internal contacts such as those between our Mainland Affairs Committee [MAC] and SEF. It may even be easier for them because, unlike MAC and SEF—which respectively represent government and nongovernmental organizations—the staff of their intermediary organization will probably be transferred from SCTAO. They may even share the same office.

As for the merit of an intermediary organization, it can help us leave out many ideological issues, and Tang Shu-pei [Tang Shubei] could have avoided attacking "Taiwan independence" advocates while calling for cross-strait exchange. When the government is separated from nongovernmental organizations, issues which should not be mentioned can be left out. In our case, MAC deals with policies which are skipped by SEF. Of course they can assign many other units to contact SEF for various issues; however, it will be too much for them to do so.

Furthermore, setting up an intermediary organization will give them more opportunities to visit Taiwan. The establishment of an organization equivalent to SEF should, as they have said, be a "truth seeking" approach and a good beginning for the cross-strait relations. This is the right direction.

'Greater China Common Market' Seen as Goal

OW0411093091 Taipei CNA in English 0741 GMT
4 Nov 91

[Text] Taipei, Nov. 4 (CNA)—The formation of a "Greater China Common Market" is a long-term goal worthy of efforts by the Chinese on both sides of the Taiwan Strait and in Hong Kong. Economic Affairs Minister Vincent Siew said Sunday.

Siew told a seminar on cross-strait relations that Taiwan, Hong Kong and the southeastern Chinese coastal provinces, with their technical prowess, capital and natural and human resources, could form one of the world's strongest trade blocs.

The minister stressed, however, that the formation of such a group depends on whether Peking will treat Taipei as an equal independent political entity.

If Peking renounces its threats to use force against Taiwan and abandons its attempts to block Taipei's presence in the world arena, Siew said he is convinced that cross-strait relations, based on mutual trust and reciprocity, will make headway and cross-strait commercial exchanges will grow even faster in the years ahead.

Over the long run, Siew said, he is optimistic about the future of cross-strait trade. Although Peking still insists on its obsolete communist ideology and system, the minister noted, the collapse of communism is a global trend. Without question, he said, Mainland China will

gradually be transformed into a more liberal open society, so prospects for cross-strait trade are certainly bright and rosy.

Premier Hao Views UN Issue, Mainland Policy

*OW0411075591 Taipei Voice of Free China
in English 0200 GMT 2 Nov 91*

[From the "News and Commentary" program]

[Text] Premier Hao Po-tsun Friday [1 November] said: In the past, the Republic of China [ROC] has always been sure of itself in terms of national identity and position. However, recently, it has entered a period of uncertainty.

Hao said: Entering the United Nations will depend on the national strength of the ROC and that it is not yet the appropriate time to apply for reentry.

Hao added that issues of foreign policy and domestic politics should remain separate. The ruling Kuomintang and the opposition Democratic Progressive Party have different views on the issue of the ROC's reentry into the United Nations, a cause for much debate domestically.

Turning to the ROC's current Mainland China policy, Premier Hao said the relations between the two sides of the Taiwan Strait should proceed at a steady pace.

Meets With DPP Lawmakers

*OW0511090691 Taipei CNA in English 0759 GMT
5 Nov 91*

[Text] Taipei, Nov. 5 (CNA)—Democratic Progressive Party [DPP] lawmakers voiced satisfaction over their meeting with Premier Hao Po-tsun Monday.

The meeting, aimed at defusing political tensions largely caused by the DPP's radicalization, resulted in several agreements between the cabinet and the opposition, DPP participants said.

Both sides agreed to base their future contacts on mutual trust, to regard Communist China as the biggest threat to Taiwan, and to avoid allowing Peking to benefit from Taiwan's internal squabbles, said Peng Pai-hsien, DPP parliament whip.

Peng reported three points agreed upon by both parties: Avoiding polarization, respecting the results of ruling-opposition party negotiations, and accepting different points of views.

Yu Cheng-hsien, convener of the DPP Legislative Yuan caucus, told reporters that their talks with several cabinet officials reached two important conclusions about the Political Party Screening Committee.

One is that if the committee disbands the DPP, which has allegedly violated the Civic Organization Law by adopting a resolution calling for a national referendum on Taiwan independence, society will certainly be polarized, Yu explained.

The other important conclusion is that the committee's Nov. 1 decision to ask the DPP to revise its pro-independence platform will not be regarded as "punishment," Yu added.

Yu's deputy, Huang Tien-sheng, said Monday's meeting was a big success which will enable Taiwan's democracy to stride forward. "There is no loser; both sides are winners," Huang said.

The other two DPP participants were Chen Shui-pien and Hsieh Chang-ting.

Representing the government were Premier Hao, Vice Premier Shih Chi-yang, Cabinet Secretary General Wang Chao-ming, Interior Minister Wu Po-hsiung, Justice Minister Lu Yu-wen, and Government Information Director General Hu Chih-chiang.

Briefing the press on the 100-minute meeting, Hu said the meeting proceeded smoothly in a "candid atmosphere," with many "constructive views" being aired.

Hao stressed political and social stability, the main pillars on which Taiwan's survival and development depend, Hu said.

By stability, Hao said he does not mean just empty talk, being conservative, or coercing others to follow government leadership.

"None of us wants to see our society polarized. This is our consensus, but I am not sure if we can achieve it," Hao was quoted as telling the DPP five.

Hsien Chang-ting said the lack of mutual trust, not the lack of a consensus, is the biggest problem in Taiwan.

Hao replied that the ruling and opposition parties must talk more often in order to build mutual trust, and the most important current agreement is respect and maintenance of the Republic of China.

The premier said he cannot understand what good Taiwan independence might have for the 20 million people here, and why independence advocates are speaking out at the risk of provoking internal and external turmoil.

"The most important work for us now is to develop our economy—based on which we can pursue democracy—not to waste our time quarreling about unification or independence," Hao said.

Independence Activist Lin Ming-che Deported

*OW0211083191 Taipei CNA in English 0739 GMT
2 Nov 91*

[Text] Taipei, Nov. 2 (CNA)—Lin Ming-che, a Taiwan independence activist arrested Friday on charges of illegal entry, was deported this morning as a persona non grata.

Lin was arrested while he was visiting friends in Ilan, northeastern Taiwan, and sent to Tainan, his hometown, for an investigation.

Late Friday night, Lin, a naturalized American citizen, was taken to the Chiang Kai-shek International Airport.

The 56-year-old member of the Central Committee of the outlawed World United Formosans for Independence said he had returned to Taiwan in his own way to see his hometown. "I have the right to return here, and I will do so again," he said.

On Oct. 25, Lin appeared at an opposition-sponsored march for Taiwan's entry into the United Nations in Kaohsiung, southern Taiwan. Police did not catch him then.

Lin is the 12th independence activist to have been arrested since a recent crackdown on the movement considered seditious by the government. He is the second Chinese American to have been deported for the same reason.

Legislator Chastises U.S.

OW0211082591 Taipei CNA in English 0735 GMT
2 Nov 91

[Text] Taipei, Nov. 2 (CNA)—Legislator Ting Shou-chung today urged the government to lodge strong protests against the U.S. Government for Taiwanese American citizens' increased interference in the Republic of China's internal affairs and their advocacy of secessionism in Taiwan.

In a written interpellation to the Executive Yuan, Ting said several American citizens have sneaked into Taiwan in recent months to play a leading role in activities sponsored by the seditious "World United Formosans for Independence" and "Organization for Taiwan National Building." They often claim American citizenship to escape prosecution when arrested by police for illegal entry into Taiwan.

He said the U.S. Government should provide a comprehensive list and information of those Taiwanese American citizens who have joined the two seditious organizations.

The legislator said their advocacy of secessionism is detrimental not only to the relationship between Taiwan and the Chinese mainland but also to the social stability of Taiwan.

Revised Investment Rules To Boost GATT Bid

OW0411091091 Taipei CNA in English 0754 GMT
4 Nov 91

[Text] Taipei, Nov. 4 (CNA)—In preparation for the Republic of China's accession to the General Agreement on Tariffs and Trade (GATT), the Ministry of Economic Affairs is making a comprehensive review of the country's investment regulations, a ranking official said today.

Taipei applied to join the Geneva-based world trade regulatory body in January 1990 as an independent customs territory. GATT is expected to begin screening Taipei's application in the near future.

In line with its free, fair trade policy, the official said, GATT has included trade-related investment measures (TRIMS) in its current Uruguay Round of talks.

As the Uruguay Rounds have reached some preliminary conclusions on TRIMS topics, the official said, Taipei must review its current trade-related investment regulations and measures in order not to violate GATT's free trade policy.

If necessary, the official said, several current investment rules and administrative measures will be amended or even repealed.

The official cited several of the government regulations now under scrutiny:

- export requirements: the government currently prohibits companies located in export-processing zones from selling their products in domestic markets;
- domestic-content rates: current regulations require motorcycle and automobile manufacturers here to use certain percentages of domestically-made components and parts in their finished products;
- technology transfer requirements: foreign-invested companies in the Hsinchu Science-Based Industrial Park are required to transfer high technologies to local employees within a certain period of time;
- industries open to foreign investments: the government currently restricts foreign investments in certain lines of business;
- ceilings on foreign capital: current rules require foreign investors intending to set up auto manufacturing plants or lease companies here to form joint ventures with their local partners.

As these restrictions may conflict with GATT's spirit, the official said, the Ministry of Economic Affairs is considering amending or dropping them.

S&T Cooperation Accord Signed With Soviets

OW0411093291 Taipei CNA in English 0736 GMT
4 Nov 91

[Text] Taipei, Nov. 4 (CNA)—The National Science Council [NSC] of the Republic of China signed a memorandum of understanding with the Soviet Union's Academy of Engineering this morning.

The memorandum, signed by NSC Vice Chairman Wang Sung-mao and the Soviet Academy's Vice Chairman Boris Kryukov, aims to boost cooperation in engineering science and technological development between the two countries.

Both sides agreed to exchange science and technology information on a regular basis and to provide necessary assistance to each other in sci-tech development.

Both parties also agreed to actively inform each other of sci-tech conferences, meetings, and fairs taking place in their countries.

The two institutes further agreed to facilitate the exchange of such personnel as engineers, scientists, and experts.

The two sides will also make efforts to identify areas for future joint research programs.

They agreed to send representatives to visit each other at least once every two years.

Ministry Planning To Offer Assistance to Soviets

*OW0511090491 Taipei CNA in English 0735 GMT
5 Nov 91*

[Text] Taipei, Nov. 5 (CNA)—The Ministry of Foreign Affairs (MOFA) is working on a plan to provide the Soviet Union with food aid.

Total Soviet agricultural production is expected to decline 4 percent, MOFA reported, and is likely to cause a food shortage this winter.

MOFA said the Republic of Russia had expressed the hope that the Republic of China [ROC] can offer it food aid. The ROC task force on Soviet affairs decided in a November 1 meeting that the Republic of China should offer the aid.

The ministry said some industrialized countries had expressed a willingness to give a helping hand to the

Soviets. The United States will provide 580 million U.S. dollars in food loans to the Soviet Union and the European Community will offer the Soviets 1.5 billion U.S. dollars in agricultural loans. Canada and Japan are also working on aid programs.

Further Details on Upcoming De Klerk Visit Noted

*OW0311124891 Taipei Voice of Free China
in English 0200 GMT 3 Nov 91*

[From the "News and Commentary" program]

[Text] President F.W. de Klerk of South Africa is scheduled to lead a 100-member mission to visit the ROC [Republic of China] on 14 November. During his stay here, the South African president is expected to sign a joint communique with the ROC, reiterating the friendly relations between the two countries.

A spokesman for the Ministry of Foreign Affairs said the communique will be the precursor of bilateral accords on investment guarantees and the prevention from double taxation. Furthermore, given South Africa's stature in the Organization of African Unity, he will also help the ROC participate in international groupings such as GATT. Amid drastic international changes, the ROC's diplomatic, economic, and trade relations with South Africa are taking on an ever greater significance. Currently, the ROC is one of 27 countries in the world maintaining official relations with South Africa. The Bank of Taiwan branch in South Africa is slated to become operational in early 1992, and the ROC government has listed Pretoria as a priority recipient of economic aid under its Overseas Economic Cooperation and Development Fund.

Hong Kong

'Collision' Feared Over Appeal Court Controversy

HK0111023291 Hong Kong THE STANDARD
in English 1 Nov 91 p D-8

[By Stanley Leung]

[Text] The controversy over the composition of the Court of Final Appeal in Hong Kong may result in a collision between the Legislative Council [Legco] and Chinese authorities.

Since the Sino-British Joint Liaison Group [JLG] approved the skeleton of the court four months ago, local lawyers and legislators have fought the arrangement, which they elide departs from the promises in both the Joint Declaration and post-1997 Basic Law.

The bone of contention is whether the JLG can go further from the Joint Declaration by limiting the number of overseas judges to not more than one in a five-member court.

Critics say the decision takes away the flexibility provided in the Joint Declaration, which stipulates "the Hong Kong Special Administrative Region (SAR) may, as required, invite judges from other common law jurisdictions to sit on the Court of Final Appeal".

Since the deal was sealed at the last JLG meeting in London, the British authorities appear to have taken a soft line on the deal.

British and Hong Kong officials have floated the idea of having the agreement amended. They have also said that implementation depends on approval from the Legislative Council when the draft legislations were tabled to the Council for endorsement.

Last Friday, the legislators voted 38-2, with five abstentions, to reconsider the arrangement, saying the Sino-British agreement was not flexible enough.

The involvement of the Legislative Council—a body dubbed by Beijing as merely a consultative body of the Governor—in the affair has aroused Chinese suspicions.

Beijing sees the court controversy as a test orchestrated by the British to increase the power of the Legco, including its veto strength, on key issues.

All statements from Chinese officials in the past few weeks have included a flat "no" to the proposed amendment.

Officials from all the Chinese departments dealing with Hong Kong affairs—these include the Chinese Foreign Ministry, the State Council's Hong Kong and Macao Affairs Office, the XINHUA News Agency and the Chinese office of JLG—have openly defended the JLG decision.

The most authoritative position of China was stated on 24 October by the Chinese Foreign Ministry. A

spokesman said the Sino-British agreement was fully in accordance with the Sino-British Joint Declaration and the post-1997 Basic Law.

A Chinese leader, Ji Pengfei, has said the arrangement on judicial power should uphold Chinese sovereignty over the territory.

But the controversy took a new twist last Saturday [26 October] when Chief Secretary Sir David Ford hinted that the Government might seek a compromise to break the impasse.

"We obviously have to find some compromise, some way forward, and now we will be thinking of how we can make some progress on this subject," he said.

Sir David's statement was strongly criticised in pro-China newspapers, which usually reflect Beijing's line of thinking.

The Chinese newspaper WEN WEI PO said Sir David's speech was actually a counter reaction to the Chinese Foreign Ministry's statement. "His (Ford's) speech means fanning the fire of criticism against the JLG decision."

The worst scenario for Beijing is the threat of involvement by the Legislative Council, which has just taken its first major step towards a representative government.

One pro-Beijing commentary said the British authorities agreed on the deal, but tried to make use of the new Legco to revoke the decision.

"The British authorities are trying to kill two birds with one stone, having the agreement changed and turning the Legco into a more powerful body."

If Legco reaches a clear consensus on stopping the new legislations on the final court from being passed, a constitutional crisis could result.

Beijing Rules Out Compromise

HK0511015991 Hong Kong THE STANDARD
in English 5 Nov 91 pp A-1, 3

[Text] Beijing will reject any "compromise" proposals on the controversial Sino-British agreement on the establishment of Hong Kong's Court of Final Appeal, according to an official Chinese source.

The source said Chinese authorities had not yet received any compromise proposals over the make-up of the court, the subject of a growing row in Hong Kong and Britain.

It was reported that Britain planned to propose a compromise model allowing two overseas judges to sit on the Court until 2007.

After that date the number would be reduced to one, in line with the recent Sino-British agreement.

This would entail postponing implementation of the agreement until 10 years after Hong Kong's return to Chinese sovereignty.

In a brief statement yesterday, the Hong Kong Government said the compromise proposal report was untrue.

The Chinese source said the agreement reached with Britain through the Joint Liaison Group [JLG] was final and would not be revised.

The official said the Sino-British agreement should be implemented in 1993 or as soon as the court was established.

Bar Association chairman Anthony Rogers, QC, a fierce critic of the Sino-British agreement, said last night he would reply today to allegations the legal profession had misled the public about the Court of Final Appeal.

Mr Rogers said he had obtained a copy of the memorandum of a meeting in which his organisation allegedly agreed that it was not necessary to have a majority of foreign judges sitting on the Final Court.

"I can tell you that the comments reported yesterday (from an unnamed government source) are incorrect," he said.

Two days ago, it was reported that the Law Society and Bar Association had agreed at a meeting on 28 January, 1988, that any requirement for a majority of outsiders on the final court of appeal should be avoided.

Mr Rogers said he would hold discussions with the former Bar Association chairman, Robert Tang, and legal functional constituency legislator Simon Ip before delivering his statement today.

The Chinese source hinted that if negotiations on the Court of Final Appeal were to re-open, it would throw doubts on other agreements, disturbing the agenda for matters concerning transition. "If this agreement could be negotiated, every other agreement could be re-negotiated, then we could not finish all the matters concerning the transition in the remaining six years," the source said. "We may need to double or even treble the time."

The source said that under the agreement, there was already flexibility for the composition of the five-man court, either to have one overseas judge or none at all.

The legal profession and many legislative councillors, however, insist the Joint Declaration and the Basic Law, Hong Kong's future constitution, set no limits on the number of overseas judges allowed.

The source said the Chinese side insisted on having restrictions on the composition of the court to avoid it being composed mostly of overseas judges.

"This is a local Court of Final Appeal. It has to be composed mainly of local people to comply with the requirement of Hong Kong people ruling Hong Kong," he said.

According to the schedule of the Hong Kong Government, the draft legislation governing the establishment of the court would be ready early next year and be discussed at the JLG.

Late last month, Chief Secretary Sir David Ford hinted that the Government might seek a compromise aimed at breaking the impasse.

"We obviously have to find some compromise, some way forward, and now we will be thinking of how we can make some progress on this subject," he said.

PRC Said 'Thwarting' New Air Agreements

HK0311050591 Hong Kong *SOUTH CHINA MORNING POST* in English 2 Nov 91 p 3

[By Anna Fenton]

[Text] China is thwarting Hong Kong's attempts to sign new air service agreements with four countries, including two major European carriers, because of political issues involving Taiwan.

It is blocking new deals with Germany, Italy, India and Sri Lanka because it believes Hong Kong has given these and other countries "beyond rights" to start services that stop in Taiwan.

China feels allowing airlines to fly freely in and out of Taiwan, which it claims sovereignty over, undermines its efforts to isolate the island's government.

This latest move has thrown a spanner in the works of the Joint Liaison Group and shows China is again willing to put political considerations before Hong Kong's economic interests.

It raises questions about future Hong Kong-Taiwan relations and the importance, or lack of it, placed by China on the territory's existing air agreements after 1997.

The Chinese are also demanding access to confidential memorandums of understanding between Hong Kong and foreign airlines detailing beyond rights arrangements.

Hong Kong is baulking at showing China these documents, but the influence may have already been felt in the decision not to grant the beyond rights to Taiwan.

Aeroflot To Begin Service 'Early Next Year'

HK0411015091 Hong Kong *THE STANDARD* in English 4 Nov 91 p A-1

[By S.Y. Yue]

[Text] Aeroflot—the Soviet Union's national airline—is to begin flights to Hong Kong early next year.

Principal Assistant Secretary for Hong Kong's air negotiations unit, John Wakeling, and yesterday an agreement to set up reciprocal air services between Hong Kong and the Soviet Union had been finalised some months ago.

The inaugural Aeroflot flight to Hong Kong is set for the first half of 1992 but it is not expected that Hong Kong's carrier, Cathay Pacific, will begin services to the Soviet Union at the same time.

Aeroflot plans to set up an office in Hong Kong to support its operations.

"With the keen competition for markets and the current restrictions on expanding trade with other Western countries, Hong Kong can look to the Soviet Union and the east European countries for economic expansion," one analyst said.

Czechoslovakia is the first east European country to set up a representative office in Hong Kong. It will be opened later this month.

However, the Soviet government has not made a decision on the opening an office in the territory.

Successes in Anti-Narcotics Effort Reported

OW2510124891 Beijing XINHUA in English
1046 GMT 25 Oct 91

[Text] Hong Kong, October 25 (XINHUA)—Hong Kong's commitment to the fight against drugs trafficking was represented not by rhetoric, not just by pieces of paper, but by solid hard work and solid achievement.

Speaking at the opening of a local economic crime workshop on money laundering earlier this week, the Attorney General Jeremy Mathews supported his above viewpoint with facts and figures. They include:

- More than 5,000 kilograms of various kinds of drugs, including 71 kilograms of no. 3 heroin and 91 kilograms of no. 4 heroin, were seized last year.
- Some 312 million HK [Hong Kong] dollars (40 million U.S. dollars) had been frozen, over half a million HK dollars (64,100 U.S. dollars) worth of drug assets confiscated and confiscation orders for another 4.4 million HK dollars (564,100 U.S. dollars) of drugs assets issued since 1989.
- Hong Kong handled no fewer than 30 extradition cases, mostly concerned with drug offences, with 10 countries last year.
- Hong Kong has entered into reciprocal agreements on drug assets confiscation with Australia, Canada, the United States, and six British jurisdictions.

Mathews said "Hong Kong had a highly efficient police force and Customs and Excise Service, whose techniques in tracing drugs, and whose successes in seizing drugs, were impressively by any standard."

He also attributed the antinarcotic achievements to the introduction of the Hong Kong Drug Trafficking Ordinance in 1989. The ordinance, among other things, requires local financial institutions to give notice whenever there was a suspect transaction which might involve the proceeds of drugs trafficking.

"By implementing proper customer identification and record keeping systems, and by cooperating with law

enforcement agencies, banks can give assistance that is of enormous value to investigation and prosecutions work," he said.

Speaking of treatment and rehabilitation of addicts, Mathews said 25 methadone clinics have been set up throughout the territory and a large number of voluntary agencies are providing services ranging from in-patient treatments to free counselling.

Meanwhile, he said, a variety of preventive educational programs were organized, including community involvement projects, antinarcotics publicity through media and educational talks to students at schools.

Since 1984, a school talks team of officers of the Narcotics Division had been visiting all secondary schools to explain to students the harmful effects of drugs, so as to dissuade them from abusing or experimenting with illicit drugs.

Trade Council Head Urges Market Liberalization

OW2310081691 Beijing XINHUA in English
0521 GMT 23 Oct 91

[Text] Hong Kong, October 23 (XINHUA)—Asian countries should steadily open up their own markets to combat rising protectionism in the U.S. and Europe.

This was stated by Victor Fung, chairman of the Hong Kong Trade Development Council (TDC), at the Fifth Asian Trade Promotion Forum in Manila Tuesday.

In the long run, Fung said, the only sure way for Asian countries to avoid the damage of protectionism was to become less protective themselves. Foreign competition "will only help to sharpen local industries and bring about a faster pace of growth," he added.

Speaking of the spread of dumping allegations in the EEC, the U.S. and Mexico and the formation of economic blocs, Fung pledged that the TDC would continue to advocate free trade and fight protectionism through lobbying and providing equal access to the Hong Kong market for overseas companies.

Fung described it one of the TDC's major objectives to strengthen economic cooperation with China, saying that the immense opportunities for investments and sales of capital and consumer goods in China was relatively underestimated. He urged traders to use Hong Kong as the conduit.

The chairman disclosed that the TDC has planned 22 promotions in major cities across the Chinese mainland this year to help Hong Kong businessmen tap the vast market there.

The TDC-managed Hong Kong showcase in Guangzhou's Nanfang Da Sha department store is expected to be opened next month as part of the effort to promote sales for Hong Kong brand products. Similar arrangements are being made with stores in Tianjin, Wuhan and Dalian.

Fung said TDC's main objectives include enhancing Hong Kong's position as a regional trade center, upgrading Hong Kong's image as an upmarket manufacturing center, market diversification, promotion of Hong Kong product design and brand names and providing up-to-date market information.

Envoy Views Hong Kong Role in PRC Economy

HK0111022291 Hong Kong THE STANDARD
in English 1 Nov 91 p D-8

[By Ma Yuzhen, Chinese ambassador to Britain]

[Text] Hong Kong, the Pearl of the Orient, glittering at the South China Sea, is well positioned to contribute to and benefit from China's opening up to the outside world.

As China's gateway to the world and vice versa, Hong Kong plays an important role in the mainland's economic development while stability and prosperity on the mainland of China likewise affects the future of Hong Kong.

While China is forging ahead with its economic reform, Hong Kong provides the badly needed investment and managerial expertise. Over 60 percent of outside investment in China comes from Hong Kong, and some 50,000 managers from Hong Kong are now working in South China, bringing with them new dynamism into this fast developing area.

For quite a few years, China and Hong Kong have been mutually number one trading partners, with our last year's trade with Hong Kong registering over US\$50 billion, 14 percent higher than that of the previous year.

At the same time Hong Kong's re-exports from China have risen sharply, generating great wealth for the Hong Kong people.

China also provides large amounts of raw materials, food, daily necessities and an inexpensive but highly skilled labour force.

In the Pearl River Delta alone, over two million workers are processing for Hong Kong firms every day.

This growing mutually beneficial relationship serves as the best guarantee of the Chinese Government's commitment to make the policy of "one country, two systems" work.

The legal guarantees for this policy of "one country, two systems" can be found in the two most important documents concerning Hong Kong, which are, to everyone's knowledge, the Sino-British Joint Declaration on the Question of Hong Kong signed in 1984 between the Chinese and British governments, and the Basic Law of the Hong Kong Special Administrative Region [SAR] of the People's Republic of China adopted and promulgated by the National People's Congress last year.

Both the Chinese and British governments have undertaken to earnestly abide by and fully implement the Joint Declaration.

With mutual trust, mutual understanding, mutual accommodation and most importantly with the new spirit of co-operation between the UK and China after Prime Minister Major's recent visit to China, I am deeply convinced that the smooth transfer of government in Hong Kong in 1997 can be fully achieved and the prosperity and stability of Hong Kong truly maintained.

The Basic Law enacted on the basis of the Joint Declaration and in close consultation with the Hong Kong people stipulates that Hong Kong shall exercise a high degree of autonomy and therefore serves as yet another strong guarantee for the future of Hong Kong.

It provides a sound legal guarantee for Hong Kong to continue to be highly successful as an international financial, trade, shipping, aviation and tourism centre after 1997.

The Hong Kong SAR may, on its own maintain and develop relations and conclude agreements with foreign states and regions and relevant international organisations in the field of economy, trade finance, shipping communications, tourism, culture and sports.

To safeguard all these, the Hong Kong SAR shall also be vested with independent judicial power.

Macao

Austerity Measures To Counter Budget Deficit

HK0411020091 Hong Kong THE STANDARD
in English 4 Nov 91 p B-1

[By Harald Bruning]

[Text] Macao is headed for a 225-million-pataca (HK\$ [Hong Kong dollars] 225 million) budget deficit next year, according to a budget bill tabled in the Legislative Assembly.

To keep down government expenditure, Macao Governor General Rocha Vieira has introduced an austerity drive.

Proposed expenditure next year is 5.782 billion patacas, only four million patacas more than this year.

Revenue for 1992 is lower than the estimated expenditure at 5.557 billion patacas, resulting in a projected 225-million-pataca budget deficit.

Government spokesman Antonio Salavessa da Costa said the Governor would ask the Legislative Assembly's authorisation for domestic loans up to 250 million patacas. The money would be used for investment.

Money spent on investment in the 1992 budget bill is similar to this year, 1.5 billion patacas.

In presenting the budget bill, the Governor promised to keep expenditure at this year's level through austerity measures.

The spokesman said the Governor would not tolerate supplementary budgets unless under very exceptional circumstances.

Government departments used to ask for more money through supplementary budgets.

A major factor for the Macao government to introduce an austerity drive was the negative trade balance.

In the first seven months this year, there was a 10 percent decrease in exports, resulting in a 1.2-billion-pataca negative trade balance.

The government must also shoulder one-third of the 6.5-billion-pataca massive airport project.

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